

October 19, 2004

**Honorable Chairman and Members of the
Hermosa Beach City Council**

**Regular Meeting of
October 26, 2004**

SUBJECT: RECONSIDERATION OF PRECISE DEVELOPMENT PLAN 04-16, CON 04-15
200 PIER AVENUE

APPLICANT: NICK SHAAR, 800 MANHATTAN BEACH BLVD
MANHATTAN BEACH, CA 902664

REQUESTS: PRECISE DEVELOPMENT PLAN, CONDITIONAL USE PERMIT AND VESTING
TENTATIVE TRACT MAP NO. 061290 FOR AN 18,648 SQUARE FOOT
COMMERCIAL BUILDING WITH 54 COMMERCIAL CONDOMINIUM UNITS.

Planning Commission Recommendation

To approve the project subject to conditions as contained in the attached resolution.

Background

The applicant is proposing to construct a new commercial building containing 54 commercial condominium units and replace an existing three-story commercial office building of approximately 12,500 square feet with 42 rental units and 44 parking spaces. The Planning Commission unanimously approved the project at their September 21, 2004 meeting.

Project Information

ZONING:	C-2 Restricted Commercial
GENERAL PLAN:	General Commercial
LOT SIZE:	17,559 Sq. Ft.
PROPOSED BUILDING SIZE:	18 648 Gross Square Feet
FLOOR AREA RATIO:	1.06
REQUIRED PARKING:	56 Spaces
PARKING PROVIDED:	56 Spaces
ENVIRONMENTAL DETERMINATION:	Negative Declaration (recommended)

Analysis

The proposed project involves demolition of the existing structure located on south side of Pier Avenue at Manhattan Avenue and construction of a commercial office complex, containing over 18,000 square feet in four buildings, connected by a two-levels of parking and common open space. The buildings will contain 54 commercial condominiums of 333 square feet. The buildings are designed to maximize the number of commercial units with direct street frontage on Pier Avenue or Manhattan Avenue, and to maximize westerly ocean views. This is achieved by locating the parking towards the east and southerly property lines, so the buildings front on the major streets, and by stepping the buildings to follow the slope to take advantage of ocean views. The project is designed as an "office campus" with a contemporary style that includes a stepped building facade, standing seam metal roofs, smooth plaster and wood exterior finishes, exposed beams, and open decks.

PRECISE DEVELOPMENT PLAN

Pursuant to Chapter 17.58 of the Zone Code, a Precise Development Plan (PDP) is required with new construction. The PDP requirements are conformance with minimum standards of the zone, and general review of the project relating to compatibility with surrounding uses.

The project meets the basic zoning requirement of the C-2 zone. It provides a 5-foot building setback adjacent to the residential property to the south and complies with the 30-foot height limit providing a lower profile from the street than the existing three-story development. Beyond these basic standards, the project will substantially improve the area and help revitalize a prominent location in the City's downtown. The proposed commercial and professional office use is compatible with surrounding uses, and consistent with the general objectives of the City Council to balance existing restaurant and bar uses with office and retail uses.

The plans also depict locations for a wireless antenna and exit stairs in the require setback which are not permitted. A separate C.U.P. application must be approved for the antennae. Staff does not support the antenna location within the required yard adjacent to residential uses.

TRAFFIC AND PARKING

Vehicle access to the site will be from Manhattan Avenue to access the lower level of the parking garage and from the alley (Bay View Drive), to access the upper level consistent with the current access to parking for the existing building. Each level will contain 28 parking spaces. An existing curb cut will be eliminated on Pier Avenue adding up to five public parking spaces.

The traffic analysis submitted by the applicant shows that the impacts of the proposed project are insignificant relative to the current use. The project is expected to generate a net AM and PM peak trip increase of 6 vehicle trips and a net overall increase of 40 vehicle trips on a typical weekday based upon the building occupancy. It is further concluded that no significant traffic impacts are forecast for the nearby study intersections that require mitigation.

Also, the existing parking on Bay View Drive, which directly backs into the alley will be replaced by the proposed driveway entrance into the parking structure, allowing cars to enter and exit without backing into the alley. This will improve safety and reduce congestion along this section of Bay View Drive.

Based on the current parking ratio in the downtown of 3 spaces per 1,000 square feet of office or retail space, the proposed 18,648 square foot building requires 56 parking spaces.¹ The applicant is proposing 56 spaces in two parking levels that complies with parking requirements. The required parking must not be assigned and must be available to all building users in order to ensure maximum parking efficiency during peak and non-peak occupancy periods of the building. If parking spaces were assigned to a specific owner or tenant, it would preclude others from using that space thereby diminishing parking for all building users. For example, assigned parking for Unit A would be unavailable to Unit B even if Unit A was unoccupied at the time. Therefore given the current parking requirement that applies to the project, it would be unwise to assign parking.

The applicant has submitted a parking analysis prepared by Linscott, Law and Greenspan to address the issue of parking for office condominiums. According to this separate analysis, the

office condominiums will be marketed to sole proprietors, seeking the benefits of owning versus leasing office spaces. The assumption is that tenants will be non-medical professional offices and businesses. With an assumed 90% occupancy rate, and a visitor rate of one per 5 businesses the total demand would be 53 spaces. Due to the unique size of the proposed condominium units, the traffic engineer was unable to find comparable projects. By assigning a portion of the demand to visitors, the analysis also assumes that the parking will be in a common unassigned parking facility.

It should be noted that the addition of five public on-street parking spaces helps to mitigate a possible increase in on-street parking demand that can occur during peak use of the commercial building. Further the peak use of the project will typically be during the daytime on weekdays, when public on-street parking is most available. In addition some of the common areas such as the proposed locker room and the conference room, totaling 670 square feet, will not contribute to the parking demand, but have been included in the gross floor area parking calculation.

COMMERCIAL CONDOMINIUMS

The condominium form of ownership for commercial buildings is subject to the requirements as set forth in Section 17.22.080 through 17.22.140 of the Zoning Ordinance, including the requirement for a Conditional Use Permit. Also, it requires the approval of a condominium tract map. The guidelines are similar to those required for the Precise Development Plan, with the additional requirement that Covenants Codes and Restrictions (CC&R's) be included in the project to "ensure that potential problems resulting from lack of continuous and centralized management, do not impact upon the public health, safety and welfare."

The project is designed to contain 54 small ownership units, of 333 square feet each. The target market for buyers will be local residents who are sole proprietors who operate business within the area, and/or work out of their homes. Whether this projected ownership profile will be realized, however, is only speculation. A larger business may wish to purchase several units, or an investor may purchase units to lease to start-up businesses. Another scenario is that the units may all be sold to one entity, and the building may be operated as a more traditional office space, with centralized management. (This was the result of the City's only other commercial condominium project on 2200 P.C.H²). Approval of the condominium tract map will make condominium sales an option for the developer, but certainly does not require or guarantee that each individual unit will be sold to separate "sole proprietors".

The following conditions were imposed by the Planning Commission, in addition to standard conditions for commercial projects and condominiums:

1. The location and installation of wireless communication facilities are subject to review of a Conditional Use Permit pursuant to Section 17.46.240.
2. All available parking shall be shared among the occupants of the buildings on site, and owned in common, which shall be clearly set forth in project CC & R's, and no parking spaces shall be assigned for exclusive use by any owner, occupant, or tenant.
3. Submittal of a parking management plan to ensure owners/occupants have priority parking on site (i.e. a parking sticker or card) and to address parking lot signage.
4. CC&R's must be submitted for review and approval by the City.
5. A 5-foot setback, clear from ground to sky, must be provided along the south property line.
6. Tree planting and accent landscaping in the pedestrian entry on Pier Avenue.

7. Provision of a minimum of 7 street trees and tree grates on the Pier Avenue sidewalk as approved by the Public Works Department, or deposit of funds in an amount to cover the cost of the improvement in accordance with the Downtown Implementation Plan.
8. Provision of 4 street trees on Manhattan Avenue.
9. Decorative paving surfaces for the pedestrian entry, and entries into the parking areas.
10. Any major changes require Planning Commission approval and minor changes may be approved by the CD Director subject to confirmation of the Commission.
11. Provision of a decorative block wall along southerly property line adjacent to residential uses.

Concur:

Ken Robertson
Senior Planner

Sol Blumenfeld, Director
Community Development Department

Stephen R. Burrell, City Manager

Attachments

1. Proposed Resolution to sustain the Commission decision
2. P.C. Resolution and Minutes
3. Location Map
4. Traffic and Parking Study
5. Initial Study Checklists
6. Photos
7. Correspondence

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1. Pursuant to Section 17.44.040, the parking requirement in the downtown area for retail and office uses of was reduced from 4 per 1000 to 3 spaces per 1,000 square feet of gross floor area as approved by the Coastal Commission and the City Council on February 24, 2004. This reduced requirement is in effect for 3 years unless the City conducts further parking studies to justify this lower standard per requirements of the Coastal Commission.
 2. The project constructed in 1981-82 contains 31 office condominium units, with an average size of 700 square feet, all are currently owned by the same owner, and the units are rented out under centralized management.