

July 19, 2005

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

**Regular Meeting of
July 26, 2005**

CONTINUED FROM THE MAY 24 AND JUNE 28 MEETINGS

SUBJECT: GENERAL PLAN AMENDMENT 05-2
ZONE CHANGE 05-2

LOCATION: 722 FIRST STREET

APPELLANT: MAR VENTURES
2050 W. 190TH STREET
TORRANCE, CA 90504

REQUEST: APPEAL OF THE PLANNING COMMISSION DECISION TO DENY A
GENERAL PLAN AMENDMENT FROM COMMERCIAL CORRIDOR TO
MEDIUM DENSITY RESIDENTIAL AND ZONE CHANGE FROM
COMMERCIAL SPA-7 TO R-2 TWO-FAMILY RESIDENTIAL

Planning Commission Recommendation:

1. Deny the requested General Plan Amendment, and Zone Change by adopting the attached Resolution to sustain the Planning Commission's decision.

Background:

SITE INFORMATION

GENERAL PLAN:	Commercial Corridor
ZONING:	SPA-7
DEPTH FROM P.C.H.:	130 to 190 Feet
SITE AREA:	4,502 Square feet
EXISTING USE:	Vacant Lot
UNITS ALLOWED IF R-2 ZONE:	2
ENVIRONMENTAL DETERMINATION:	Negative Declaration Recommended (Initial Study on file)

The subject property is located on the south side of First Street immediately west of the commercial building at 7 PCH which until recently had been occupied by Coast Glass. The lot backs up to the south city boundary. The property contains no connection to the P.C.H. frontage property, which is under separate ownership. The lot is currently vacant, and the City's records show a residential structure formerly occupied the site but was demolished in 1961. More recently the property was commercially used for storing vehicles, associated with the former Vasek Polak Porsche / Audi / Volkswagen dealership and repair business. The property to the north across First Street also is designated Commercial and zoned SPA-7, and contains a commercial use (The Holiday Inn Express). The depth of the commercial designation from P.C.H. of 190 feet aligns with the commercial depth across the street. Abutting property to the west is designated Medium Density Residential and zoned R-2, and is currently developed with a mix of multi-family residential uses. Abutting property to the south, located in Redondo Beach, is the parking lot for the multi-tenant office/retail development that fronts on P.C.H.

The Staff Environmental Review Committee, at their meeting of January 6, 2005, recommended an environmental negative declaration for the proposed General Plan Amendment/Zone Change, based on the initial study.

Analysis

The applicant's proposal will reduce the Commercial General Plan and Zoning map designations, as measured from P.C.H., from a depth of 190 feet to 130 feet. The proposal will make the south side of First Street inconsistent with the north side, which has a commercial depth of 190 feet. Approving these changes will also preclude future use of the property for commercial purposes, and limits the potential expansion of the Pacific Coast Highway fronting commercial property. The P.C.H. fronting property combined with the subject property provides a potential commercial site of 12,741 square feet. If the subject property is redesignated and rezoned, the site will be reduced to 8,221 square feet.

The City Council has generally supported maintaining the commercial depths along P.C.H. to encourage commercial development of larger sites, for example a request to redesignate and rezone the property along the north side of 5th Street was rejected, as well as along 6th Street and First street east of P.C.H. However, the Council has supported the rezoning and redesignation of parcels located on 2nd Street, Tenth Street, and Fourth Street, all west of P.C.H. The circumstances in these cases where a zone change was approved all differ from the current request, however, as the properties were located a greater depth from P.C.H. than prevailing commercial depths on the same block or adjacent blocks.

The applicant argues that this property does not fit in with the intent of encouraging new commercial development along P.C.H. because of small size of the property, even if combined with the frontage lot, and access and visibility issues. The applicant notes that the property is very difficult to access from P.C.H. for northbound traffic because of the lack of signalized intersection, and has poor visibility. Also, the applicant has investigated the potential development of this site for retail and/or office use, although the lack of visibility would not seem to support retail development. The applicant has recently marketed the site for office development, and has prepared a concept office condominium plan that would support 4,500 square feet of office uses, but notes marketing has been unsuccessful up to date.

The applicant also argues that its use for residential purposes will not impact anticipated City tax revenues and may actually be better for the City fiscally. To support this argument the applicant has provided a simple fiscal analysis that estimates the existing and potential annual tax revenue associated with this property, and also with combined development of this property with the frontage property. This fiscal analysis compares the tax revenue of the proposed residential use as compared to the existing commercial use. It concludes that even a successful commercial redevelopment of the site would provide slightly less fiscal revenue than the residential uses because of the immediate residential property tax gains. This fiscal analysis, however, is very limited in scope and applicability, as it does not analyze the fiscal impacts over the long-term (i.e. it does not address the potential growth in sales tax or other commercial revenue vs. the static nature of residential property tax); does not analyze the comparative impact on City services over time; does not analyze economic multiplier effects that might result from commercial use of the property; and most importantly, does not address the potential impact/revenue associated with combining this property with the P.C.H. fronting property.

The applicant indicates that the proposed use of the site would be for a 2-unit condominium project. A concept plan is included to show the potential development that the applicant envisions for the site.

In making their decision, the Planning Commission weighed the benefits of rezoning and redesignating commercially zoned property along the commercial corridor, against the disbenefits of losing some of the relatively small amount of commercial property in the City. Approximately 14% of the City is zoned commercial and less than 6% of that land is located along the City's commercial corridors. Reducing the depth of commercial lots renders the remainder of a site less usable for quality commercial development and tends to have collateral effects on abutting properties since it becomes harder to provide parking, and other kinds of environmental mitigation for a project (increased setbacks, landscaping, etc.) that larger sites afford.

CONCUR:

Ken Robertson
Senior Planner

Sol Blumenfeld, Director
Community Development Department

Stephen R. Burrell
City Manager

Attachments

1. Draft Resolution of Denial
2. Planning Commission Minutes
2. Maps (Location, General Plan, Zoning)
3. Aerial Photo and site photos
4. Applicant's letter and analysis (fiscal analysis)
5. Concept plans
6. Correspondence

RESOLUTION 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, SUSTAINING THE PLANNING COMMISSION'S DECISIONS TO DENY A REQUEST FOR A GENERAL PLAN AMENDMENT FROM COMMERCIAL CORRIDOR (CC) TO MEDIUM DENSITY RESIDENTIAL AND A ZONE CHANGE FROM COMMERCIAL SPECIFIC PLAN AREA NO. 7 TO TWO-FAMILY RESIDENTIAL (R-2) FOR THE PROPERTY LOCATED AT 722 FIRST STREET AND LEGALLY DESCRIBED AS LOT 145 WALTER RANSOM CO'S VENABLE PLACE

The City Council of the City of Hermosa Beach does hereby resolve and order as follows:

Section 1. An application was filed by Mar Ventures owner of property at 722 First Street seeking to amend the General Plan Map and the Zoning Map for the subject property.

Section 2. The Planning Commission conducted a duly noticed public hearing to consider the application for a General Plan Amendment and Zone Change on March 15, 2005, at which testimony and evidence, both written and oral, was presented to and considered by the Planning Commission, and based on said testimony and evidence, denied the application.

Section 3. The applicant filed an appeal of the Planning Commission's decision.

Section 4. The City Council conducted a duly noticed public hearing to consider the application to appeal the denial of a General Plan Amendment and Zone Change on July 26, 2005, at which testimony and evidence, both written and oral, and the record of the decision of the Planning Commission was presented to and considered by the City Council.

Section 5. Based on evidence received at the public hearing, the City Council makes the following factual findings:

1. The property is designated Commercial Corridor on the General Plan Map, and Commercial Specific Plan Area No. 7 on the official City Zoning Map. The S.P.A. 7 zoning for the property allows commercial uses as permitted within the C-3 Zone and does not allow residential use.
2. The requested change will replace the commercial designations on the subject property to allow residential development for up to two units consistent with the Medium Density Residential classification of the General Plan and the R-2 Zoning district in the Zoning Ordinance.
3. The property at 722 First Street is currently vacant and most recently has been used for storing vehicles, associated with the former Vasek Polak Porsche/Audi/Volkswagon dealership and repair business.

4. The current depth of the commercial designation from P.C.H. of 190 feet aligns with the commercial depth across the street. Abutting property to the west is designated Medium Density Residential and zoned R-2, and is currently developed with a mix of multi-family residential uses. Abutting property to the south, located in Redondo Beach, is the parking lot for the multi-tenant office/retail development that fronts on P.C.H.

Section 6. Based on the foregoing factual findings, the City Council makes the following findings, consistent with the findings of the Planning Commission, pertaining to the General Plan Amendment and Zone Change:

1. The proposed amendment to the General Plan Map is not in the best interest of the City with respect to long-term land use and development for the subject property.
2. The General Plan Map accurately and appropriately depicts the commercial depth for this section of First Street west of P.C.H to align the depth with the property across First Street to the north.
3. Allowing residential use on this property instead of commercial uses precludes the opportunity for new commercial activity or the expansion of existing commercial development that fronts on Pacific Coast Highway.

Section 7. Based on the foregoing, the City Council hereby denies the request to amend the Land Use Map of the General Plan for the subject property, and because State Law requires consistency between the General Plan Map and Zoning Maps, the Council hereby denies the request to change the Zoning Map.

PASSED, APPROVED, and ADOPTED this day of , 2005,

PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach,
California

ATTEST:

APPROVED AS TO FORM:

_____ CITY CLERK _____ CITY ATTORNEY

Date _____