# PETE WILSON, Governor RECORD PACKET COPT

### CALIFORNIA COASTAL COMMISSION

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Filed: 1/27/97 49th Day: 3/17/97 180th Day: 7/26/97 Staff: AJP-LB 6

Staff Report: 2/12/97 Hearing Date: 3/11-14/97

Commission Action:

STAFF REPORT: REGULAR CALENDAR

APPLICATION NO.: 5-96-282

AGENT: The Landau Partnership APPLICANT: Seaview Hotel

PROJECT LOCATION: Hermosa Beach

PROJECT DESCRIPTION: Construction of a 30-foot high, 3 story, 96-unit limited-term occupancy condominium hotel consisting of two separate buildings connected by a pedestrian bridge, with 3,050 square feet of meeting rooms with catering kitchen, workout room, laundry, garden spa, valet guest parking service, and public street improvements. The project will be constructed in two phases: Phase I will include one building with 56 units, 1,482 square feet of meeting rooms and 54 on-site parking spaces; Phase II will include a second building with 40 units, 1,568 square feet of meeting rooms. The project includes the provision of 100 off-site spaces leased from the City within the City's 480 parking space parking structure that the City intends to build adjacent to the project site.

Lot area:

.72 acres

Building coverage: Pavement coverage:

23,155 square feet 5,160 square feet 2,651 square feet

Landscape coverage:

Phase I: 54; Phase II: 100 C-2. Restricted Commercial

Parking spaces: Zoning:

Plan designation:

General Commercial

Ht abv fin grade:

30 feet

LOCAL APPROVALS RECEIVED: Approval by Resolution #96-5841: Conditional Use Permit; Development Plan, Parking Plan; Vesting Tentative Tract Map No. 52158

SUBSTANTIVE FILE DOCUMENTS: Coastal Development Permits No. 5-96-212, 5-92-177, 5-84-236, 5-82-251A (City of Hermosa Beach); A-3-MAR-96-094; 3-95-48; Final Environmental Impact Report.

#### **SUMMARY OF STAFF RECOMMENDATION:**

Staff recommends that the Commission approve the proposed project with special conditions. To ensure that the project operates as a visitor-serving use as proposed by the applicant special condition is required to limit the occupancy of the units and to require that the applicant submit transient occupancy tax audit to demonstrate compliance with the occupancy restrictions. To ensure that support parking is provided during all phases of the project special conditions are necessary to require the designation of off-site lots and the submittal of lease agreements for those lots. The permit is also conditioned



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to require the applicant to submit all encroachment permits and access signage and street treatment plans. As conditioned the proposed project is consistent with the access policies of the Coastal Act.

#### **STAFF RECOMMENDATION:**

The staff recommends that the Commission adopt the following resolution:

#### I. Approval with Conditions

The Commission hereby grants, subject to the conditions below, a permit for the proposed development on the grounds that the development, as conditioned, will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3 of the Coastal Act, is located between the sea and first public road nearest the shoreline and is in conformance with the public access and public recreation policies of Chapter 3 of the Coastal Act, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

#### II. Standard Conditions.

- Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. <u>Expiration</u>. If development has not commenced, the permit will expire two years from the date this permit is reported to the Commission. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. <u>Compliance</u>. All development must occur in strict compliance with the proposal as set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
- 4. <u>Interpretation</u>. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- 5. <u>Inspections</u>. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
- 6. <u>Assignment</u>. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

7. <u>Terms and Conditions Run with the Land</u>. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

#### III. Special Conditions:

#### 1. Occupancy Restriction

The permitted development shall be operated as a limited occupancy resort condominium. Owners shall not occupy their units for more than 29 consecutive days and no more than 90 days per year. The project shall have an on-site rental agency to manage rental of units. All units shall be available for rental to the general public when not occupied by the unit owner. No portion of the project may be converted to time-share, full-time occupancy condominium, apartment, or other type of project that differs from the approved limited occupancy project without an approved amendment to this coastal development permit.

#### 2. Owner Occupancy/CC&Rs

Prior to recordation of the final subdivision map the permittee shall submit two copies of the proposed covenants, conditions and restrictions (CC&Rs) for the condominium subdivision to the Executive Director for review and approval. The CC&Rs must be in substantial conformance with the draft CC&Rs submitted to the Coastal Commission on January 27, 1997. The CC&Rs as approved by the Executive Director must be recorded against all individual property titles. The approved CC&Rs shall not be revised or amended without first obtaining an amendment to this Coastal Development Permit.

#### Transient Occupancy Tax Audit

Three months after the date on which occupancy of all or part of the Phase I building begins, and continuing on a quarterly basis thereafter, the permittee shall submit an audit report indicating that the project is in conformance with the City's room occupancy requirements and the owner occupancy restrictions(i.e. 90 days per year, no more than 29 consecutive days). The report shall include the Phase II building three months after occupancy of that building commences. The report shall include a statement as to whether the City is in agreement with the report.

#### 4. Parking for Occupants/Guests Before and During Construction of Phase II

a. The permittee shall insure that 54 parking spaces are available to occupants/guests of the Phase I building before and during construction of the Phase II building. Prior to construction of the Phase II building, those parking spaces shall be provided on-site in accordance with the project description. During construction of the Phase II building, the 54 parking spaces must be either within walking distance of the Phase I building or made available through a free shuttle or valet service. The parking spaces shall not include any spaces that are currently designated for public beach parking or required parking for another use.

b. The permittee shall not commence construction of the Phase II building until the City of Hermosa Beach has commenced construction on the municipal parking structure on City parking Lot "C".

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- c. Prior to issuance of this permit the applicant shall submit, for review and approval by the Executive Director, a draft plan for providing parking to occupants/guests of the project during construction of the Phase II building. The draft plan shall identify all parking lots/spaces that could potentially be used to provide the 54 parking spaces required by condition 4.a. above.
- d. Prior to commencement of construction of Phase II the permittee shall submit, for review and approval by the Executive Director, a final plan for provision of 54 occupant/guest parking spaces during the construction of Phase II. The final plan shall indicate which of the potential parking lots/spaces identified in the approved draft parking plan have been leased, purchased or otherwise acquired for exclusive use of the occupants/guests of the Phase I building. The final plan shall also demonstrate that the 54 spaces will be available for the entire duration of the construction of the Phase II building. The final plan shall demonstrate that the 54 parking spaces are accessible to occupants/guests and employees of of the hotel by walking or, if not within walking distance, a free shuttle or valet service. The plan must be reviewed and approved by the City of Hermosa Beach.

#### 5. Parking for Occupants/Guests Upon Completion of Both Phases

- a. Upon completion of the Phase II building, the permittee shall provide a total of 100 parking spaces for exclusive use by occupants/guests of the entire project (54 spaces for the building built during Phase I and 46 spaces for the building built during Phase II).
- b. Prior to the issuance of the permit the applicant shall submit, for review and approval by the Executive Director, a long term parking agreement signed by the applicant and the City for the leasing of no less than 100 spaces for the exclusive use of the hotel within the City's planned parking structure located on the City owned parking lot (Lot "C") adjacent to the project site. Said agreement shall run for the life of the hotel.
- c. Prior to commencement of construction of the Phase II building, the permittee shall submit either (1) evidence that the City of Hermosa Beach parking structure at Lot "C" is complete and available for use by the project's occupants/guests, or (2) a plan to provide 100 alternative parking spaces until the City's parking structure becomes available. The parking plan shall be subject to review and approval of the Executive Director. The parking plan shall demonstrate that 100 parking spaces are available for exclusive use of the project. The 100 parking spaces shall be either within walking distance of the project or accessible by a free shuttle or valet service. The plan shall also include evidence that the City has approved the parking plan.

#### 6. Encroachment Permit for Fourteenth Court Right-of-Way

Prior to issuance of the permit the applicant shall submit, for review and approval of the Executive Director, an encroachment permit or other legal document indicating that the applicant has a legal right to temporarily use Fourteenth Court Right-of-Way as part of Phase I parking.

#### 7. Air Right Encroachment Permit for Ocean Drive

Prior to issuance of the permit the applicant shall submit, for review and approval of the Executive Director, an air right encroachment permit or other legal document, that has been reviewed and approved by the City, for the pedestrian bridge to be constructed over Ocean Drive to connect the two separate buildings.

#### 8. Signage Plan

Prior to the issuance of the permit the applicant shall submit a signage plan, for review and approval by the Executive Director, showing the wording, size and location of signs to be posted. The signs to be posted shall indicate that the terminus of Fourteenth Street and Thirteenth Street are public beach access and designate the turn-out area as a public beach drop-off. The signs shall be located in conspicuous locations. The plans shall conform to the City's signage program and ordinance and shall be reviewed and approved by the City.

#### 9. Street Treatment Plans

Prior to the issuance of the permit the applicant shall submit, for review and approval by the Executive Director, street treatment plans for Fourteenth Street and Beach Drive. The plans shall ensure that the street treatment will appear visually separate and distinct from the hotel and clearly indicate the street's availability as a public street. Furthermore, the plans shall indicated that parking along the turn-out at the terminus of Fourteenth Street is prohibited. Parking shall be prohibited by red curbing and/or by appropriate City approved signage.

#### IV. Findings and Declarations.

#### A. Project Description and Background

The applicant proposes to construct a 30-foot high, 3 story building that would operate as a limited-term occupancy resort condominium. The project will consist of two separate buildings connected by a pedestrian bridge across Beach Drive. The two buildings will contain a total of 96 units, 3,050 square feet of meeting rooms with catering kitchen, workout room, laundry, garden spa, valet guest parking, and public street improvements along the terminus of 13th Street and 14th Street and along Ocean Drive (see Exhibit #1-4).

Owners of each unit would be limited to occupying their unit for a total of 90 days per year and no more than 29 consecutive days. The units would be available for rent when not occupied by the owner(s). The applicant would establish an on-site rental management agency to operate on-site facilities and rental services.

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To provide parking for the entire project, the applicant proposes to lease 100 parking spaces within a parking structure that the City intends to build. The City is in the process of obtaining necessary permits to construct a 480 parking space structure at Lot "C" that is adjacent to the proposed site.

The applicant proposes to construct the project in two phases. Phase I will include the first building consisting of 56 units, 1,482 square feet of meeting rooms and 54 guest parking spaces on-site and on Fourteenth Court right-of-way pursuant to an agreement with the City of Hermosa Beach. A portion of the 54 parking spaces will be provided within a portion of Fourteenth Court right-of-way that abuts the Phase II parcel. The applicant will temporarily lease from the City approximately 80 linear feet of the 20-foot right-of-way. The lease agreement will terminate and the right-of-way will revert back to the City upon commencement of Phase II construction.

Once Phase I is completed the applicant will start on Phase II. The Phase II building would be constructed on the site of the on-site parking spaces, excluding the City's right-of-way. Phase II will include the construction of the second building consisting of 40 units, 1,568 square feet of meeting rooms. During the construction period the applicant proposes to provide 54 parking spaces required as guest parking for the Phase I building in an alternative off-site location. Upon completion of Phase II, all parking needs of the project will be met through the lease of 100 parking spaces in the City's parking structure.

The proposed project is located on two separate vacant parcels totalling .72 acres in area. The two parcels will be subdivided for condominium purposes only. The two parcels are separated by Beach drive, the first public road paralleling the sea. The project site is adjacent to and inland of The Strand (pedestrian walkway and bikeway) and between Fourteenth Street to the north, and Thirteenth Street to the south.

Surrounding uses include a City landscaped park, commercial and residential uses, public parking lot and public beach. The proposed site is located approximately one block north of the Municipal Pier. The project site is zoned C-2, General Commercial. Under the General Commercial designation hotel and parking uses are permitted.

The City of Hermosa Beach is located in the South Bay area of Los Angeles County between Manhattan Beach to the north and Redondo Beach to the south. The City of Hermosa Beach provides approximately .75 miles of beachfront.

#### B. <u>Site History</u>

The proposed site was once known as the Biltmore site. The approximately 2.9 acre area was once developed with the Biltmore hotel, that was demolished in 1969, and retail buildings. The Commission, in November of 1984, approved a 5-story, 260 room hotel, commercial and conference center complex (#5-84-625). Under this permit several buildings were demolished. Construction of the hotel was never started.

In 1989 the Commission approved the construction of a 35-foot high, 4-story, 172 room hotel within two separate buildings of 118,040 square feet, over 3 levels of parking for 236 parking spaces [5-89-1150 (Hermosa Beach Investment

Co.)] on the currently proposed .72 acre site. The project also included 5,000 square feet of restaurant and kitchen space and 3,100 square feet of meeting rooms. The permit was subsequently amended (5-89-1150A3) to reduce the hotel rooms to 171; allow the combining of rooms to create no more than 25 suites; reduce restaurant area to 3,484 square feet of service area; reduce meeting room area to 2,448 square feet; and reduce parking to 215 parking spaces, as required by the Hermosa Beach City Code. Under this permit the remaining retail buildings were demolished but the project was never constructed.

#### C. Visitor-Serving Facilities

Section 30222 of the Coastal Act encourages the use of private lands suitable for visitor-serving uses over other non-priority uses. Specifically, Section 30222 states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Section 30213 states in part:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided....The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility....

As stated the proposed site was once a portion of a larger site that was known as the Biltmore site where a hotel known as the Biltmore Hotel existed. According to the LUP the site has been an on-going City concern for development alternatives for over 15 years. The LUP states that the subject site has the potential to set a tone and become a focal point for revitalizing the downtown/commercial area. In 1984 the City amended their LUP to provide specific planning standards for the Biltmore site. In reference to the Biltmore site the LUP states that:

The Biltmore site is a vital asset of the people of Hermosa Beach which will play a substantial role in maintaining the City as a financially feasible entity. The City has determined that the most beneficial, economic and environmental coastal use for this site is a hotel/conference use.

The proposed project will be developed as a condominium with individual suites sold to investors for individual ownership. According to the applicant (CC&R's) each investor or group of investors will be limited to a occupancy of no more than 90 days during a calendar year with no more than 29 consecutive days. The City has also conditioned their permit to limit the duration of owner occupancy as currently proposed by the applicant. All units not occupied by owners would be rented by an on-site rental management agency (although owners will be permitted to rent their units without using the on-site service).

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Due to the nature of the project's operation the project is considered a visitor-serving development. However, the project will not be a lower-cost facility. According to the applicant and City the hotel is designed and will operated as a AAA Four Star hotel. The over-night rental rates are projected to range between \$170 to \$250.

The City does not have a large number of over-night facilities. The City currently has four hotels/motels (see Exhibit #7). Two of the hotels/motels are located within the Coastal Zone. The rates vary between \$49 to \$69 per night. Such rates are considered to be low-cost rates for a beach city within the south bay area.

In addition to the lower-cost over-night facilities currently available the City provides a number of lower-cost visitor and recreational facilities. The City has .75 miles of public beach and a municipal pier which provide swimming, sunbathing, fishing and volleyball activities. The City has a 20 foot wide promenade (The Strand) that runs along the entire length of the of the City's beachfront. The Strand allows strolling, bicycling, skating, and jogging. The City also has a number of visitor-serving commercial facilities, such as restaurants, beach equipment rental and sale retail shops within the downtown visitor serving area and along a portion of the Strand. In addition, the City provides an improved jogging path along the old railroad right-of-way located approximately 1/2 miles from the beach. The City is also in the process of constructing streetscape improvements, such as installing benches, landscaping and street furniture, along Lower Pier Avenue.

Although the proposed hotel is not a lower-cost facility the City provides a number of lower-cost facilities including over-night facilities. As designed the proposal is a visitor-serving facility and will enhance public opportunities for coastal recreation. As currently proposed the 94 individual units will be available to the general public approximately 75% of the year.

Section 30221 of the Coastal Act requires that oceanfront land suitable for recreational use shall be protected for recreational use and development. Furthermore, Section 30222 identifies the use of private lands suitable for visitor-serving commercial recreational facilities as a priority use. If the project was to operate or be converted to a non-priority residential complex the project would not enhance public opportunities for coastal recreation. Moreover, as a residential project the parking demand would be greater than a hotel and will cause greater access impacts to the beach and visitor-serving downtown area. As a residential project the project would be inconsistent with the Coastal Act. Therefore, to ensure that the project will operate as a visitor-serving facility consistent with the applicant's proposal the permit is conditioned to require that owner occupancy of any unit is restricted to a total of 90 days per year, with no owner occupancy for more than 29 consecutive days; that all units shall be available for rent to the general public when not occupied by the unit owners; that conversion of the facilities to any other use is not permitted by this permit; and that the permittee shall submit an audit report indicating that the project conforms with the City's room occupancy requirements. As a condition of this permit, the applicant is also required to record covenants, conditions and restrictions (CC&Rs) that conform to the draft CC&Rs that the applicant submitted on January 27, 1997. The draft CC&Rs demonstrate that the project will be operated as limited-occupancy resort condominium with an on-site rental management agency. Since the CC&Rs provide notice of use restrictions to all future condominium owners, it is important that the recorded CC&Rs must first be

approved by the Commission as amendments to this permit. Although changes to the CC&Rs could not authorize owners to operate the project inconsistent with this permit, such changes could result in owners not being aware of the requirements of this permit. Four example, if the 90 day occupancy restriction was removed form the CC&Rs, future condominium owners would be unaware that occupancy is limited by this permit. Thus, the conditions of this permit require that changes to the CC&Rs be first approved by the Commission through amendment of this permit. The Commission therefore, finds that only as conditioned will the proposed project be consistent with Section 30213 and 30222 of the Coastal Act.

#### D. Parking

Section.30252 of the Coastal Act states in part:

The location and amount of new development should maintain and enhance public access to the coast by... (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation....

In addition the Parking policy C.1. states:

That the City should not allow the elimination of existing on-street parking or elimination of existing on-street parking or off-street parking spaces within the coastal zone. Future residential and commercial construction should provide the actual parking necessary to meet the demand generated.

As stated the proposed project is being constructed in two phases. The first phase will consist of 56 units with 1,482 square feet of meeting rooms and provide 54 parking spaces on-site (on the site of the future Phase II building). Phase II will consist of 40 units and 1,568 square feet of meeting rooms. Once construction for Phase II commences the applicant proposes to relocate the 54 on-site parking spaces off-site onto a yet unnamed site. When all 96 units are completed the applicant will provide a total of 100 parking spaces within the City's planned parking structure.

The applicant and City have entered into an agreement where the applicant has agreed to lease 100 spaces within the City's 480 space parking structure that the City intends to build. The City has submitted an application for the 480 space parking structure (application #5-97-011, scheduled for the April Commission hearing). Construction is planned to start once all approvals have been received and a contractor selected. The construction period for the parking structure is estimated to last approximately 12-18 months.

The City's general parking standards require hotel projects to provide parking at the following ratios:

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1 space per room for first 50 rooms 1 space per 1.5 rooms for next 50 rooms 1 space per 2.0 rooms after 100 rooms

Meeting Room

1 space per 50 square feet

Based on this general requirement the 96 room hotel plus 3,050 square feet of meeting rooms would require 180 parking spaces. Using the Commission's established parking ratios the project would require 163 parking spaces or 17 parking spaces less than the City's requirement. The applicant is proposing to provide 100 spaces or 80 less than City's general hotel parking requirements. In the City's Land Use Plan amendment 1-94, as modified by the Commission and accepted by the City, the LUP allows projects within the City's downtown area a parking adjustment to account for local walk-in traffic by persons who are already parked elsewhere. The LUP states:

New development, including expansions and intensifications of use, shall provide parking consistent with requirements elsewhere in the City unless the following findings are made. If the following findings are made, the exceptions described in Section 2 may be granted.

#### 1. Findings

Before granting the exceptions below, the Planning Director shall certify:

- (a) That fewer than 96,250 square feet of commercial development, including new buildings, expansions and/or intensification of uses, in the DED has received a CDP since November 1, 1994
- (b) That there is currently adequate parking to support the development and provide adequate beach parking.
- (c) That the City council has approved an interim parking study for the DED that shows the occupancy of the parking spaces in the DED is 90% or less during daylight hours on summer weekends.
- (d) That no more than 24,063 square feet of commercial development in the DED has received CDP's since the last interim parking study was approved by the City Council.

#### 2. Exceptions

- i. When parking is required, for projects on lots exceeding 10,000 square feet and/or 1:1 F.A.R, parking in excess of that existing on the site at the time of the proposal shall be provided at 65% of the current parking requirement.
- ii. Because of the physical constraints to providing parking and the desire to promote a pedestrian orientation in the Downtown Enhancement District, for projects on lots less than 10,000 square feet and less than 1:1 F.A.R., no parking other than the parking existing on the site at the time of the proposal shall be required.

According to a recent report submitted by the City less than 24,063 square feet of commercial development in the DED has received CDP's since the last interim parking study and less than 96,250 square feet of commercial development in the DED has received a CDP since November 1, 1994 (see Exhibit #8).

The parking standard for the downtown area was developed according to a

parking study completed by the City. The 65% figure was based on a City survey which found that only 65% of commercial customers drove to the downtown area. The following is some background information as submitted by the City for the LUP amendment 1-94:

The existing regulations that require parking for all new development or intensification of uses makes it costly, if not impossible, for property owners to improve or enhance their existing properties. However, in reducing parking requirements on small lots, the city realizes that some limits need to be established to assure that over-development, or lack of parking is not the result. as such, the standard of a 1:1 floor area to lot area ratio is used as a maximum. This method simply uses an easily recognizable standard—the amount of commercial land area—as the maximum amount of development prior to absolutely requiring added parking supply.

This part of the proposal(the small lot exemption up to a 1:1 F.A.R.) is similar to the parking standard used by the city of Manhattan Beach for its similarly situated coastal downtown district. The basic premise is that a certain scale of development can be accommodated by existing "collective" parking facilities spread throughout a district. Further contributing factors that apply in both cities are as follows: (a) both commercial districts are surrounded by medium and high density residential districts making walking and biking to commercial destinations a realistic and feasible alternative to automobiles, and; (b) many of the commercial activities (restaurants, beach rentals, beachwear clothing shops) are interdependent with the use of the public beach and the Strand. As such, suburban parking standards which assume most customers drive, and that separate uses are exclusive, should not apply.

Based on the above, it logically follows that when parking is required (for the area over a 1:1 F.A.R. or development on larger lots) the standard that apply to other commercial areas should not apply in the coastal downtown district. Therefore, based on surveys of the City's downtown which found that about 65% of respondents drove to the area, it is proposed that parking be required at 65% of the standard which applies elsewhere in the city. This is further supported by studies on mixed use

commercial shopping centers which generally show that only 40-75% of required parking is needed when different uses with different peak time demands share the same parking.

Because the project is located within the Downtown Enhancement District (DED) the project would only be required to provide 65% of the required parking if all the necessary LUP DED findings are made. Based on City's Downtown Enhancement District's parking adjustment factor of 65%, the 96 unit hotel with 3,050 square feet of meeting area would require 100 parking spaces. However, the Commission finds that the project does not qualify for the DED reduced parking standard because the total project will exceed the threshold of a total of 96,250 square feet for commercial development in the DED. Therefore, the project does not meet all of the required findings to allow the downtown parking adjustment. However, the threshold was established based on the City's existing parking supply for the downtown area and the amount of surplus parking during a typical summer weekend. Concurrent with this hotel project the City is planning to construct a new parking structure and increase the amount of available parking within the downtown district. The amount of additional public parking that will be added within the downtown district is

380 spaces. Based on the City's calculations the 380 spaces could accommodate approximately an additional 146,300 square feet of new commercial development based on 65% of current zoning requirements.

Although the project will not conform to the LUP's parking standard for the LUP no new development will be approved without adequate parking to support it. Since additional parking is being added to the downtown district the threshold for commercial development would be increased, thus, allowing additional development to occur without adversely impacting the public parking within the downtown area. Furthermore, according to the FEIR the hotels peak period occurs in the evening hours. If the projects parking demand exceeds the hotels parking supply, which would occur during hotels evening peak period, the impact to beach access will be insignificant since general public beach use is during the day.

The project will meet the City's parking requirement for Phase I by providing 54 spaces (51 spaces plus three tandem spaces) on-site with valet service. The 54 spaces will be located on the Phase II site, which is located across of Ocean Drive. A portion of the Phase II site will include the use of 80 linear feet of Fourteenth Court right-of-way to provide adequate area for all 54 parking spaces. The applicant will temporarily lease the right-of-way from the City. According to the City's permit conditions the lease agreement is to terminate once construction for the Phase II building commences. To ensure that the applicant has a legal right to use a portion of Fourteenth Court the applicant shall submit an encroachment permit or other legal document for the temporary use of Fourteenth Court.

After Phase I is completed the applicant plans to construct Phase II and temporarily relocate the 54 Phase I parking spaces off-site. Once Phase II is completed the applicant will provide all 100 required parking spaces that are necessary to support Phase I and II within the City's planned parking structure.

The applicant has submitted a tentative list of potential lots that may be used for the 54 parking spaces required to support the Phase I building during construction of Phase II and for potential use if the City's parking structure is not completed in time for the hotel use (see Exhibit #5). The applicant has also submitted a lease agreement with an owner of one of the listed lots for use of the lot for parking once construction starts on Phase II (see Exhibit #6). However, it is uncertain if these lots are allowed to be used for parking based on their designated zoning and are physically capable of supporting parking. Therefore, as a condition of this permit, the applicant must provide, prior to issuance of the permit, a draft parking plan showing the potential sites for the 54 parking spaces that has been reviewed and approved by the City of Hermosa Beach. The plan must show that there are potential sites that can be accessed either by walking or by a shuttle or valet service provided by the applicant. Then, prior to commencement of construction of the Phase II building, the applicant must submit a final plan indicating where the 54 spaces will be located. The plan shall include ingress and egress locations and parking layout. Based on the tentative information submitted by the applicant it appears that there are a number of potential sites within close proximity of the project site.

Construction of the City's parking structure is planned to occur during construction of Phase I of the hotel and will be completed by the time Phase

II is ready for occupancy. However, although the City's intent is to commence construction on the parking structure immediately once all necessary approvals have been received and have the parking structure completed and available to provide support parking for all 94 units (Phase I and II) there are no guarantees that the construction and completion will stay on schedule. The City is aware of this possible situation and has conditioned their approval so that the applicant must provide an alternate parking area to provide all the hotel's required parking. Condition no. 46 of the City's permit states that:

In the event that the City parking structure is not completed prior to occupancy of Phase Two, the applicant shall secure adequate off-site parking by covenant, lease, easement or other agreement acceptable to the City Attorney for the interim period.

Because the applicant is providing parking for Phase I and construction for Phase I is estimated to take approximately one year the applicant, at this time, has not secured any lots for future use to support the 100 parking space requirement of the hotel once all 96 units have been completed in the event that the parking structure is not completed. Because of the length of time between Phases and the uncertain need for an alternate parking site it would be impractical and place an unnecessary burden on the applicant to require the alternate parking site(s) at this time. However, due to the fact that Hermosa Beach is an older Community and most of the area is built-out, potential parking sites that will be adequate to support the hotel are limited in the area. Allowing the construction of Phase II to commence and be completed prior to securing an alternate parking site will cause undue pressure on the City and the Commission to permit the hotel to operate with limited or no parking. Such a situation will create significant impacts to public beach parking.

Based on the tentative list of potential parking sites submitted by the applicant it appears that there are sites available to support the project in the event that the City's parking structure is not completed by the time Phase II is completed. However, special conditions are necessary to ensure that these lots are designated for and physically cabable of supporting parking. A condition of this permit requires that prior to commencement of construction of Phase II the applicant shall secure a site, that has been reviewed and approved by the City, that will provide all required parking spaces for the hotel as approved by this permit. Furthermore, to ensure that there will be permanent parking within the City's parking structure for the hotel once Phase II is completed, a special condition is required to ensure that construction of Phase II shall not be permitted unless the City has commenced construction on the parking structure and that a lease for 100 parking spaces within the parking structure has been submitted for review and approval by the Executive Director. In the event that the parking structure is not completed by the time Phase II is completed the applicant shall demonstrate that 100 parking spaces are available within a remote lot for the exclusive use of the project.

Furthermore, as a hotel use within the DED the project is allowed to provide only 65% of the required parking under the certified LUP. As a residential use, such as a condominium, the project would not be granted such a parking adjustment and would be required to provide parking at the Commission established two parking spaces per unit plus guest parking. Providing parking for 96 residential units to support such a demand would be problematic and would adversely impact beach access. Therefore, a special condition

restricting the project to a limited-term occupancy condominium will ensure that the project operates as a visitor-serving facility and enhance public access to the area.

In addition to ensuring that there is adequate parking to protect public beach access the proposed improvements to the surrounding public streets should be designed so not to prohibit public access along those streets. To ensure that improvements to Fourteenth and Thirteenth Street and Beach Drive are designed to improve public access and the streets will not be perceived as part of the hotel, special conditions requiring the posting of signs designating the areas for public access and the submittal of street treatment plans, for review and approval by the Executive Director, are necessary. The Commission, therefore, finds that the project only as conditioned is consistent with Section 30252 of the Coastal Act.

#### E. <u>Traffic and Circulation</u>

According to the FEIR all presently signalized downtown intersections are operating at Level of Service A. All non-signalized intersections operate at LOS B, except for Valley Drive and Pier Avenue and Ardmore Avenue and Pier Avenue which operate at LOS F. The FEIR further states the proposed project will not change the LOS of any intersection and the vehicle/capacity does not appreciably change for any intersection. Because intersection Vehicle to Capacity (V/C) does not appreciably change due to the project and the LOS does not change for any intersection the FEIR concludes that the additional traffic generated by the project will not have a significant impact. However, the FEIR indicates that because the project will add some increment of traffic to intersections that are already impacted the City and applicant, based on fair share contributions, will improve the intersections along Pacific Coast Highway and Pier Avenue-14th Street. These intersections are outside of the coastal zone.

Based on the traffic study conducted for the FEIR the traffic generated by the proposed project will not adversely impact any of the intersections within the Coastal Zone. As proposed the project does not subtract substantially from the ability of the public to get to the beach. The Commission, therefore, finds that the project is consistent with Section 30252 of the Coastal Act.

#### F. Visual Ouality

Section 30251 of the Coastal Act states:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

The proposed project area is characterized by medium to high density urban

development. A public park is located to the north of the proposed site across Fourteenth Street on the former Biltmore Hotel site. To the east there are three single-family residential dwellings and the City surface parking Lot "C" (planned site of the parking structure). To the south of the site there is a small restaurant, retail uses, and an apartment complex. To the west is the adjacent promenade known as The Strand and beach area.

The area presents a mix of building heights that vary from one to three stories. The FEIR states that:

While there is lower scale development along The Strand to the south of the Phase I Hotel site, the residential buildings and the hotel to the north of the site range in height from approximately 30 to 40 feet. The tallest building in close proximity to the site is the Bijou Theater [located to the east along Hermosa Avenue] with a height of 45 feet.

Since the site is vacant, views of the beach are available along the adjacent streets as well as intermittent views from Hermosa Beach, which is one block to the east. Because the site is between the first public road and the sea and fronts on The Strand development of the site will impact the views available along the adjacent street. However, although these streets provide some views to the beach they are not designated as scenic highways or scenic corridors.

The proposed project will conform to the City's 30 foot height limit and is consistent with the scale and character of the surrounding area. The visual impact of the proposed project will be insignificant due to the existing development in the area and the availability of public views to and along the beach from adjacent public areas, such as The Strand, Pier Avenue and the Pier. The Commission, therefore, finds that the project as proposed is consistent with Section 30251 of the Coastal Act.

#### G. Geologic Hazards

Section 30253 of the Coastal Act states in part that:

New development shall:

- (1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.
- (2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs....

According to the foundation reports, prepared by Converse Consultants West, the site consists primarily of dense to very dense sands and silty sands. Dense sands are expected to provide adequate support for conventional shallow spread footings supporting the three-story hotel building with a concrete slab on grade.

The site is not within a currently designated Alquiest-Priolo Special Studies Zone. However, due to the presents of thin strata of silty sands there is a potential for liquefaction at this site. However, according to the foundation study settlement due to liquefaction during a large magnitude earthquake is predicted to range from approximately one-half to one inch at the site. This potential has been taken into consideration by the design of the structure and will not pose a problem for the structure. The Commission finds, therefore, that the project as designed will neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area and is consistent with Section 30253 of the Coastal Act.

#### H. Local Coastal Program

(a) Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3.

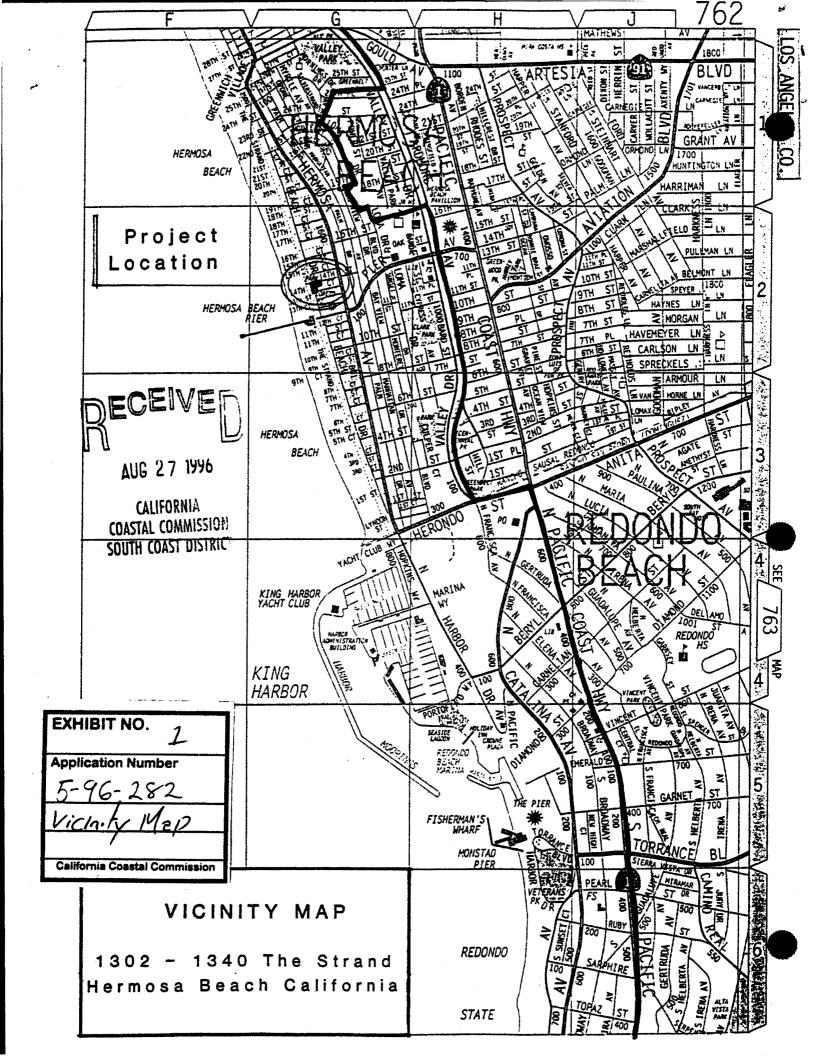
On September 1981, the Commission certified, with suggested modifications, the land use plan portion of the Hermosa Beach Local Coastal Program. The certified LUP contains polices to guide the types, locations and intensity of future development in the Hermosa Beach coastal zone. Among these polices are those specified in the preceding section regarding public access, visual resources and geologic hazards. Furthermore, the LUP provided that visitor serving uses, such as hotels, be considered along the beachfront. Subsequently, in 1984 the Commission processed an amendment for a Specific Plan for this and an adjacent site. The LUP, as amended, specifically provides for a hotel as an appropriate use for the proposed site. The Commission's action on the LUP proposal found that the development of the proposed site with a hotel was consistent with the Coastal Act. The proposed development, as conditioned, is consistent with the policies of the certified LUP. As proposed the project will not adversely impact coastal resources or The Commission, therefore, finds that the proposed project will be consistent with the Chapter 3 policies of the Coastal Act and will not prejudice the ability of the City to prepare a Local Coastal Program implementation program consistent with the policies of Chapter 3 of the Coastal Act as required by Section 30604(a).

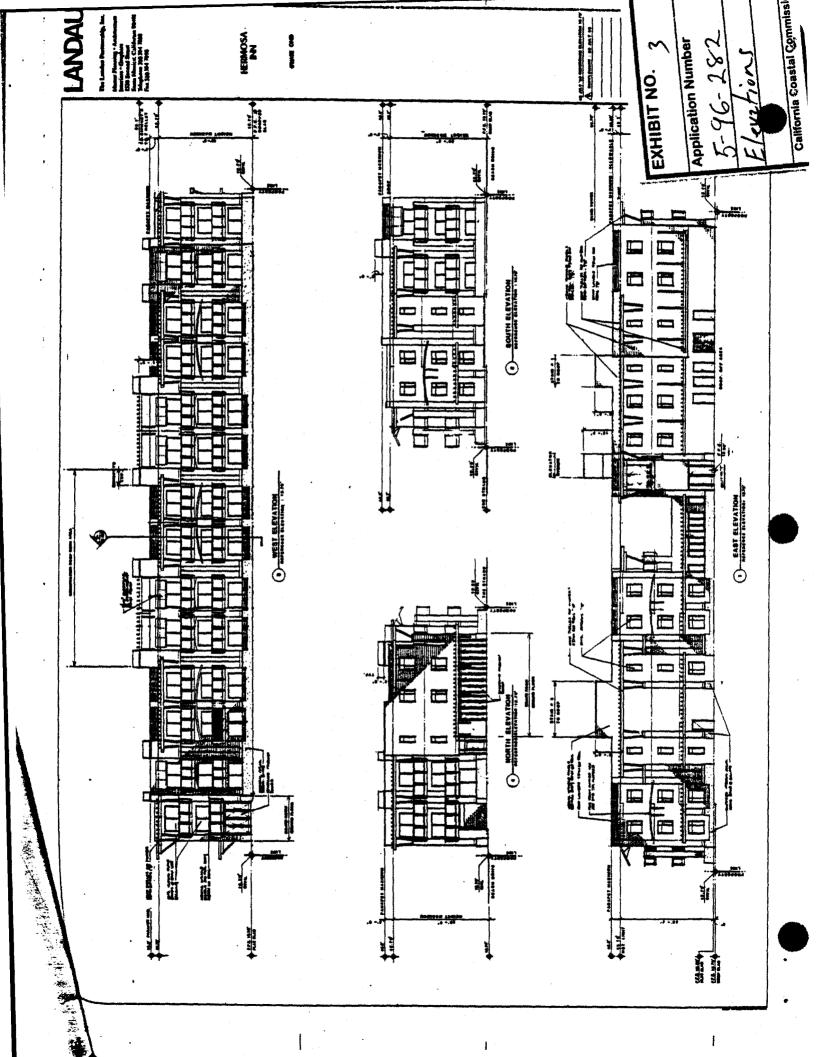
#### I. CEOA

Section 13096(a) of the Commission's administrative regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(i) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

There are no negative impacts caused by the proposed development which have not been adequately mitigated. Therefore, the proposed project is found consistent with CEQA and the policies of the Coastal Act.

8426F





C C.ty Parking let"C" Phese I Parkng)

GROUND FLOOR PLAN- PHASE I

Application Number 5-96-282

EXHIBIT NO.

Perking Plan Phese I

Phese I Commission



February 3, 1997

Mr. Al Padilla California Coastal Commission 245 W. Broadway, Suite 380 P.O. Box 1450 Long Beach, CA 90801-1450

CALIFORNIA COASTAL COMMISSION

Re:

Hermosa Beach Inn Phase 2 Interim Parking

Dear Mr. Padilla:

As a follow-up to our meeting in your office the other day I am forwarding information Pam Emerson had requested on where we planned to accommodate the 54 interim parking spaces that will be required once we begin construction of our Phase 2 of the hotel project.

Although these 54 interim parking spaces will not be needed until we begin construction of Phase 2, we are proceeding in locating and securing the site or sites as soon as possible.

Attached for your information and as evidence of our efforts in this regard, I am providing a list of identified potential sites, including the parcel ownership information, parcel maps, size of parcels and current zoning status.

At this time, I am contacting owners regarding leasing of sites in order to fulfill our needs and requirements. It should be recognized that we may not have secured a contract for a lease on a site until after the Coastal Commission meeting. As you know, it is a condition of our current City of Hermosa Beach approvals that Phase 2 construction cannot begin until an interim parking lot is secured.

I will keep you advised on the status of our interim parking lot lease negotiations.

Please call me if you have any questions.

Sincerely,

Cray Frank Craig French

SeaView Development

530 OAK GROVE AVENUEC: Sol Blumenfeld, City of Hermosa Beach

SUITE 201 MENLO PARK CALIFORNIA 94025

PHONE 415-326-1094 FAX 415-326-0639

#### CITY OF HERMOSA MEMORANDUM

DATE:

1-22-97

TO:

Sol Blumenfeld, Director

FROM:

Tracy Yates M

SUBJECT:

Owner Request

P.O. Box 11358

Marina Del Rey, CA 90295

PECEIVED FEB 6 1997

CALIFORNIA COASTAL COMMISSION

These numbers correspond with highlighted numbers on attached maps.

1. 22-52 11th St. -- APN-4187-004-006 through 011 5120: Siroon Mangurian 14900 S. Western Avenue 20 ning : Gardena, CA 90249 12. 1849 PCH - APN-4184-025-900 through 901 5126 32190 South Bay Hospital District 601 Valencia Ave. Brea, CA 92621 Zoning 3. 1605-1617 PCH -- APN-4184-025-209 512E : Shook Development Corporation 111 Pacifica 20mmy: MIVV Irvine, CA 92618 -4. 1530 PCH - APN-4185-006-008 5122: 12,628 Seaview Palms and Company P.O. Box 10387 Zoning: C3H1 Marina Del Rey, CA 90295 **~5**. 1550 PCH - APN-4185-006-007 512C : 6,534 Koka Hiyashi P.O. Box 10387 <3H1 Marina Del Rey, CA 90295 6. 815 15th St. -- APN-4185-006-017 5.670 712七: Scaview Palms and company c/o Donna Gegan

> Ex4.6.+5 192

20ning: RIYY

7. 2101 PCH - APN-4184-021-013 & 014
James Fucile
1226 6th St.
Manhattan Beach, CA 90266

512C , 8.183

20 MM7: C3

1547 Manhattan Ave. — APN-4183-013-059
 First Church of Christ Scientist
 1547 Manhattan Ave.
 Hermosa Beach, CA 90254

Mark We

310-272-5004 Rectory
372 9228 Pectory

Hermosa Beach, CA 90254 Mark West. Pres.

9. 1540 Hermosa Ave. - APN-4183-013-058 512 6

124: 7.997

20 AIM: R3 YY

ty/f/b95/cd/add

Same as #8

Exh.3.75 1293

#### **PARKING LOT LEASE AGREEMENT**

LETTER OF AGREEMENT BETWEEN JAMES FUCILE, LESSOR AND SEA VIEW DEVELOPMENT, LESSEE FOR VALET PARKING DURING PHASE 2 OF HERMOSA HOTEL CONSTRUCTION

This letter constitutes our intent to enter into an agreement for the lease of the vacant lot at the corner of 21st Street and Pacific Coast Highway (APN 4184-021-013 and 014) at 2100 Pacific Coast Highway, and adjacent parcel identified as 737 and 739 Twenty-first Street for the purpose of valet parking fifty-four (54) cars during the construction of Phase 2 of the Hermosa Beach hotel project located at Fourteenth Street and The Strand.

The length of the term will be approximately 12 months, commencing at the construction of Phase 2 of the hotel project, or approximately January first, 1998.

Consideration for said agreement will be based upon a cost of \$25, per car per month, or approximately \$1350, per month. Lessee (Sea View Development) will provide \$1,000,000, liability insurance during the term of the contract.

Our concurrance with the above is indicated by our signatures below.

James. Fucile, Owner, Lessor

1226 Sixth Street

Manhattan Beach, CA 90266

(310) 374-5306

Craig Franch, Sea View Development, Lessee

530 Oak Grove Avenue, Suite 201

Menio Park, CA 94025

(415) 326-1094

Application Number

5-96-282

Lease Agramatho

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#### ATTACHMENT 5

## HERMOSA BEACH HOTEL/MOTEL ROOM RATES

(Per Night/Plus Tax)

Surf City Hostel @ 798-2323

c/o Dream Travelers Inns Inc.

1204 Ardmore Avenue

Manhattan Beach, CA 90266

\$35.00/Double Bed

\$15.00/Per Person./Bunk Beds

Hotel Hermosa @ 318-6000

2515 Pacific Coast Hwy.

Hermosa Beach, CA 90254

\$59.00/Queen Bed

Sea Sprite Motel @ 376-6933

1016 Strand

Hermosa Beach, CA 90254

\$49.00/Double Bed

Quality Inn @ 374-2666

901 Aviation Blvd.

Hermosa Beach, CA 90254

\$69.00/Double Bed

Grandview Hotel @ 374-8981

55 14th Street

Hermosa Beach, CA 90254

\$60.00/Queen Bed

f/b95/open/hotelist

EXHIBIT NO.

**Application Number** 

5-96-282

California Coastal Commission



# City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, California 90254-3885

April 15, 1996

California Coastal Commission 245 W. Broadway, Suite 380 Long Beach, CA 90802-4416

Attention:

Pam Emerson, Supervising Analyst

Subject:

Land Use Amendment No. 6 and Status of Project Entitlements

Dear Pam:

This letter is intended to keep you apprised of development in the City of Hermosa Beach downtown relative to Land Use Plan Amendment (LUPA) No. 6. As you know, the Coastal Commission approved LUPA No. 6 subject to the condition that the City provide reporting on downtown parking during peak seasonal demand and that development be "capped" at 96,280 square feet based upon buildout calculated on the amount of surplus parking in the downtown. An interim assessment of seasonal parking demand is required once downtown development had reached a threshold of 24,063 square feet and received CDP's.

Last summer, the City had entitled projects totaling 12,252 square feet of new or "intensified use", pursuant to LUPA No. 6 requirements. (A copy of the projects and dates of approval is attached). A study confirming the seasonal parking demand was not yet required as the City had not reached the development threshold for confirmation of available DED parking under the Amendment.

Following these approvals the City received several project development permit applications. (Please refer to attached list). Project approvals have continued, and the most current project approval for a mixed use restaurant, retail and office project will bring the City to the 24,063 square foot of development permitted by the City. These most recent projects are scheduled for Coastal Commission consideration.

The City will commence with an assessment of the interim parking conditions relative to seasonal parking demand in June. Obviously, we are presented with a moving target here as it is not possible to determine what sequence of project approvals will put the City at the interim parking count threshold relative to CDP's and the timing for approvals may have no relationship to the beach season. I am confident, however, that an interim assessment of off-street parking will indicate that occupancy of parking spaces in the

DED is 90% or less during daylight hours on summer weekends. (We have recently completed a survey of parking conditions relative to peak retail demand periods, weekdays and evenings, which we will want to review with you.)

It is important to note that two of the three projects which you will be considering provide minimum parking requirements (65% of the required City's parking standard) on site. A proposed mixed use project recently submitted to your office provides a significant amount of on-site parking in a two level parking deck. 83 parking spaces are to be provided on-site for the project at the required downtown parking ratio established under the Amendment. The project is an important component of the downtown revitalization which provides new "daytime" (office) users to the area and will redevelop a property which has been a blight in the community for many years.

As indicated by our performance to date, the City's conformance to LUPA No. 6. is a priority. Moreover, we want to maintaining the cooperative partnership developed with the Coastal Commission and Staff. After reviewing the attached, please call me so that we can meet to discuss the above.

Thank you.

Sincerely,

Sol Blumenfeld Director
Community Development Department

Jim Ryan, Analyst
 California Coastal Commission
 Steve Burrell, City Manager

# Completed and Proposed Projects Relative to the L.U.P. Amendment No. 6

<u>Projects</u>	Square Footage: New or Intensification	Approval Date	Parking Demand Impact (based on 1 per 385 square feet)	
			Gross	Net (subtracting out parking provided on-site)
Completed Projects (Ragin Cajin expansion, Brewski's, Paisano's Pizza, Sabroso's, Cafe Boogaloo, 1001 Hermosa Offices)	12,252	Prior to 6/95	32	32
Club Sushi Mezzanine	360	2/27/96	1	1
California Beach Sushi 844 Hermosa Avenue	6,200	4/9/96	16	16
Hennessey's Roof Deck	617	4/9/96	2	2
1301 Manhattan - Multi- Use Project	17,500	4/9/96	45	0
Sangria Garden Expansion	2100	Pending	5	5
Sushi Sei (Retail to Restaurant Change of Use)	1,650	Pending	4	4
Totals	40,679		105	60
100 Room Hotel	Phase 1: 42,000 Phase 2: 71,400	Pending	109 185	58 85
Total with Hotel	Phase 1: 82,679 Phase 2: 112,079		214 295	
Coastal Commission LUP: Threshhold	(96250)		(250)	