

CALIFORNIA COASTAL COMMISSION

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Staff: Fernie Sy-LB
Staff Report: April 19, 2012
Hearing Date: May 9-11, 2012

**STAFF REPORT: REGULAR CALENDAR**

APPLICATION NO.: 5-11-167

APPLICANT: Claims Advocate Service

AGENT: Anders Lasater Architects

PROJECT LOCATION: 214 Main Street, Seal Beach (Orange County)

PROJECT DESCRIPTION: Demolition of an existing 1,709 square foot, one-story retail building with four (4) uncovered parking spaces and construction of a 3,379 square foot, two-story (27-feet above finished grade) mixed use building with 748 square feet of retail use on the 1st floor and 2,631 square feet of business office use on the 1st and 2nd floor. Eight (8) parking spaces are required onsite. However, only three (3) onsite partially covered parking spaces are proposed. The applicant is proposing a City approved in-lieu fee for the five (5) deficient parking spaces. Grading will consist of 3 cubic yards of export.

SUMMARY OF STAFF RECOMMENDATION

The subject site is located at 214 Main Street in the City of Seal Beach, Orange County. The applicant is proposing the demolition of an existing one-story retail building and construction of a new two-story building that will have a retail use on the ground floor and a business office use on the 1st and 2nd floors. The primary issue before the Commission is the adverse impact on public access in the Coastal Zone. Staff recommends that the Commission **DENY** the proposed project.

As submitted, the proposed project is inconsistent with Section 30252 of the Coastal Act, which requires that new development provide adequate parking facilities or provide substitute means of serving the development with public transportation. The project site is located on Main Street in the City of Seal Beach, which is the City's primary visitor serving commercial area and coastal access point. Existing parking demand on Main Street is high because most of the existing businesses do not provide adequate on-site parking. Main Beach and the City's pier are about 2 blocks seaward of the site. So, demand for existing on-street parking comes from both the business patrons, and pier/beach visitors. The proposed project would result in a new, larger building than currently exists with a retail and a business office use that would not provide adequate parking onsite. This would cause users of this site to park in public parking spaces in the

area otherwise intended for the public to use so they can access the coast. Therefore, adverse impacts to public access would result from the proposed project.

The existing use has four (4) on-site parking spaces, which, based on the City's parking ratios, is adequate to support that use. The proposed project would include three (3) on-site parking spaces (which is a reduction from current conditions). Based on the City's parking ratios, the proposed use requires eight (8) on-site parking spaces, so, they are deficient five (5) spaces. The applicant is proposing to offset those five (5) spaces by paying an in-lieu fee to the City of Seal Beach, in the amount of \$3,500 per space. The City's in-lieu parking program has not received Commission approval. Although that program has been in existence for at least 16 years, no new public parking spaces have been built under the program. This is largely because the in-lieu fee collected is not adequate to cover land acquisition and construction costs to build new parking spaces. So, even though this applicant is willing to pay the in-lieu fee, it is unreasonable to expect that the proposed in-lieu fee payment will result in any material parking offset in the future. Despite the payment, the impact will not be mitigated.

Commission staff also inquired as to whether there are any transit-oriented solutions that could be used to offset the inadequate on-site parking. For instance, participation in City programs that provide for and promote the use of alternative modes of transportation such as ride-sharing, carpools, vanpools, public transit, bicycles and walking. The applicant expressed interest, but was unable to identify any concrete program in which to participate.

Many of the structures along Main Street are of advanced age. As the economy improves, pressure to redevelop Main Street is likely to increase significantly. If the City desires an increased intensity of use in that area, as it approved in this case, adequate programs must be in place to address parking and transit needs to accompany that increased intensity of use. Approval of new, more intense development in this case that does not adequately address parking/transit needs could set an adverse precedent for new development along Main Street. It would also prejudice the City's ability to obtain a Certified Local Coastal Program.

Alternatives to the proposed project exist. For example, the existing retail use, which currently provides adequate parking onsite, can be remodeled; or, the proposed project can be revised so as to provide adequate parking onsite. An in lieu fee could also be viable if the City were able to develop an acceptable in-lieu fee program that would increase public parking and/or promote alternative modes of transportation. There are, perhaps, other alternatives as well. Therefore, staff recommends that the proposed project be **DENIED**.

Section 30600(c) of the Coastal Act provides for the issuance of Coastal Development Permits directly by the Commission in regions where the local government having jurisdiction does not have a Certified Local Coastal Program (LCP). The City of Seal Beach does not have a Certified Local Coastal Program. Therefore, the Coastal Commission is the permit issuing entity and the standard of review is Chapter 3 of the Coastal Act.

LOCAL APPROVALS RECEIVED

Approval-In-Concept dated May 9, 2011 from the City of Seal Beach Planning Department.

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STAFF RECOMMENDATION

I. STAFF RECOMMENDATION OF DENIAL

Staff recommends that the Commission **DENY** the Coastal Development Permit application by voting **NO** on the following motion and adopting the following resolution.

A. MOTION

I move that the Commission approve Coastal Development Permit No. 5-11-167 for the development proposed by the applicant.

B. STAFF RECOMMENDATION OF DENIAL

Staff recommends a **NO** vote. Failure of this motion will result in denial of the permit and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

C. RESOLUTION TO DENY THE PERMIT

The Commission hereby **DENIES** a Coastal Development Permit for the proposed development on the ground that the development will not conform with the policies of Chapter 3 of the Coastal Act and will 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. Approval of the permit would not comply with the California Environmental Quality Act because there are feasible mitigation measures or alternatives that would substantially lessen the significant adverse impacts of the development on the environment.

II. FINDINGS AND DECLARATIONS

The Commission hereby finds and declares as follows:

A. PROJECT LOCATION, DESCRIPTION, LOCAL APPROVAL, AND STANDARD OF REVIEW

1. PROJECT LOCATION AND DESCRIPTION

The proposed project is located at 214 Main Street in the City of Seal Beach, County of Orange (Exhibit #1). Main Street is the City's primary visitor serving commercial area and serves as a primary location for the public to access the coast since the Seal Beach Pier and the beach are located at the end of Main Street.

The proposed project consists of the demolition of an existing 1,709 square foot, one-story retail building with four (4) uncovered parking spaces and construction of a 3,379 square foot, two-story (27-feet above finished grade) mixed use building with 748 square feet of retail use on the 1st floor and 2,631 square feet of business office use on the 1st and 2nd floor (Exhibit #2-5). The site will continue to provide a retail component onsite; however, it will be reduced from 1,709 square feet to 748 square feet. The roof of the existing building will be completely demolished as well as all of the interior walls and 58% of the exterior walls will be demolished.

Three (3) onsite partially covered parking spaces are proposed. According to the City's parking ratios, eight (8) parking spaces are actually required onsite. The applicant is proposing a City approved in-lieu fee for the five (5) deficient parking spaces. Grading will consist of 3 cubic yards of export.

The subject lot size is 2,937 square feet, and the City of Seal Beach designates the site as Main Street Specific Plan (MSSP). Retail uses are allowed onsite. Professional offices facing Main Street are also allowed, but only on the 2nd floor and above as a permitted use. The proposed project includes a retail use on the 1st floor and a business office use on the 1st and 2nd floors. Thus, the proposed project adheres to this MSSP designation. The City does not have a certified Land Use Plan or Local Coastal Program, and the Commission has not reviewed or approved the MSSP.

2. LOCAL APPORVAL: APPROVAL-IN-CONCEPT AND IN-LIEU PARKING PROGRAM

The applicant obtained an Approval-In-Concept dated May 9, 2011 from the City of Seal Beach Planning Department for the proposed project. In addition, the City has determined that the proposed project is eligible to participate in the City In-Lieu Fee Program for the deficient five (5) onsite parking spaces. The fee is \$3,500.00 per space, which would result in an in-lieu fee of \$17,500.00. To proceed with this in-lieu fee, the property owner must enter into a binding agreement, to be prepared by the City Attorney, with the City of Seal Beach and record a covenant on the title. The 1st half of the fee would be due when the building permit is issued and the balance would be due prior to occupancy of the building.

3. STANDARD OF REVIEW

The City of Seal Beach does not have a Certified Local Coastal Program. Therefore, the Coastal Commission is the permit issuing entity and the standard of review is Chapter 3 of the Coastal Act

B. PUBLIC ACCESS

Section 30252 of the Coastal Act states in relevant 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.

One of the strongest legislative mandates of the Coastal Act is to maximize public access to and along the coast. Section 30252 of the Coastal Act requires that new development should maintain and enhance public access to the coast by providing adequate parking or by providing substitute means of serving the development with public transportation. The subject site is located along Main Street, which serves as a primary visitor serving commercial area and access point to the coast. The Seal Beach Pier and the beach are located at the end of Main Street and the area serves as a primary location for public access to the coast.

Existing parking demand on Main Street is high because most of the existing businesses do not provide adequate on-site parking (a result of the historic development pattern). Main Beach and the City's pier are about 2 blocks seaward of the site. So, demand for existing on-street parking comes from both the business patrons, and pier/beach visitors. No current parking study was done in conjunction with the proposed development. However, a variety of parking studies have

focused on the Main Street area, including studies done in 1996, 2002, and 2003¹. These studies acknowledge that demand for parking on Main Street has been and remains high. Various strategies for improving management of existing parking resources were described in those studies. The City considered implementation of some of those strategies, including placing parking meters, and changing the allowed duration of parking as described under CDP No. 5-02-422. However, no new studies have been done to document whether those strategies are in place, and whether they have been effective. At this stage, Commission approval of the strategies approved under CDP No. 5-02-422 has lapsed as that approval was only valid for 5 years and has not been renewed.

Due to its location, the project site is ideally suited to support visitors to the beach and the coastal community (Exhibit #1). The immediate project vicinity consequently experiences high vehicular volumes during the summer months. A lack of public parking and/or adequate public transit discourages visitors from coming to the beach and taking part in other visitor-serving activities in the Coastal Zone. A lack of parking and/or adequate public transit would therefore have an adverse impact on public access. All development must, as a consequence, provide adequate onsite parking and/or be served by adequate public transit to minimize adverse impacts on public access.

The project site and surrounding area is subject to the City of Seal Beach Main Street Specific Plan (not certified), which was adopted on July 8, 1996. The Main Street Specific Plan (MSSP) states that parking requirements shall be satisfied in one or more of the following ways: *1) By providing required off-street parking spaces on the property on which the building is located; 2) By providing required off-street parking spaces within three hundred feet of such building; or 3) Through participation in the City's in-lieu parking program as established in Section 28-1257.* The proposed project includes a retail component on the 1st floor and a business office use on the 1st and 2nd floors. The Main Street Specific Plan provides the following parking requirements for these uses: *1) For offices not providing customer service on the premises, one (1) spaces for every four (4) employees or one (1) space for every 500 square feet gross floor area (whichever is greater); and 2) For retail stores, one (1) space for each 500 square feet gross floor area part thereof.* The applicant is proposing 748 square feet of retail use, which requires two (2) parking spaces and 2,631 square feet of office use, which requires six (6) parking spaces. Under the MSSP, a total of eight (8) parking spaces are required; however, only three (3) parking spaces are being provided². The City determined that the proposed project would be deficient five (5) onsite parking spaces, but would be eligible to participate in the City In-Lieu Parking Program. The City of Seal Beach In-Lieu Parking Program is found and described in the MSSP. The fee is \$3,500.00 per space, which would result in an in-lieu fee of \$17,500.00. To proceed with this in-lieu fee, the

¹ see Down Town Parking Study by W.G. Zimmerman Engineering, Inc. dated August 2003; Main St. Parking Meter Study by the City of Seal Beach dated September 2002; Main St. Specific Parking Study by Zucker Systems dated 1996

² Based on the Commission's Regional Interpretive Guidelines, even more parking would be required than required by the City. The interpretive guidelines state that general retail requires one (1) space for each 225 square feet of gross floor area and general office requires one (1) space for each 250 square feet of gross floor area. Based on these requirements, three (3) parking spaces would be required for the retail use and ten (10) parking spaces for the office use. A total of thirteen (13) parking spaces would be required, with only three (3) proposed, resulting in a ten (10) space deficiency.

property owner must enter into a binding agreement, to be prepared by the City Attorney, with the City of Seal Beach and record a covenant on the title. The 1st half of the fee would be due when the building permit is issued and the balance would be due prior to occupancy of the building. The fee collected would be deposited in a segregated City In-Lieu Parking Program fund. The funds would be used exclusively for: “...*the purpose of promoting, managing, operating, increasing and maintaining the availability of parking spaces in the immediate vicinity of Main Street.*”

This Main Street Specific Plan and In-Lieu Fee Program have not been reviewed or approved by the Coastal Commission; nor does the City of Seal Beach have a Certified Local Coastal Program. The proposed participation in an in lieu fee program would be effective if that fee was adequate to construct new parking spaces and/or was paired with a program that provides for and promotes the use of alternative modes of transportation such as ride-sharing, carpools, vanpools, public transit, bicycles and walking. However, to date, in its 16 years of existence, the program hasn't resulted in the construction of any new parking spaces that would offset the proposed lack of parking. Additionally, the in-lieu fee amount has not been updated since its inception to keep pace with existing land and construction costs. A recent study prepared for the City of Santa Monica (Downtown Parking Program Update: City of Santa Monica by Walker Parking Consultants, dated June 24, 2009), documents the in-lieu fees that other coastal cities in Orange and Los Angeles County are collecting, which range from \$17,795 in Huntington Beach, to \$28,900 in Hermosa Beach. The study states that the fee being collected in Hermosa Beach is based on a 2006 appraisal of the actual cost to construct new parking spaces. At \$3,500, clearly, the fee being collected by the City of Seal Beach is not adequate. Therefore, this program lacks sufficient resources to implement construction of new parking spaces. There is also no indication that funds have, or are planned to be, effectively used to promote alternative modes of transit.

Allowing the proposed project would result in increasing the intensity of use of the site without providing sufficient parking to meet the demand from the proposed use. The lack of parking for the project site would force customers and employees to park in public parking spaces (i.e., along Main Street) intended for the general public who are visiting the Seal Beach Coastal Zone. The general public tends to avoid visiting coastal areas when there is an inadequate public parking supply to accommodate a visit the coast. Thus, the lack of onsite parking would therefore have an adverse impact on public access.

Commission staff also inquired as to whether there are any transit-oriented solutions that could be used to offset the inadequate on-site parking. For instance, participation in City programs (outside the in lieu fee program) that provide for and promote the use of alternative modes of transportation such as ride-sharing, carpools, vanpools, public transit, bicycles and walking. The applicant expressed interest, but was unable to identify any concrete program in which to participate.

Finally, many of the structures along Main Street are of advanced age. As the economy improves, pressure to redevelop Main Street is likely to increase significantly. If the City desires an increased intensity of use in that area, as it approved in this case, adequate programs must be in place to address parking and transit needs to accompany that increased intensity of use. Approval of new, more intense development in this case that does adequately address parking/transit needs

could set an adverse precedent for new development along Main Street. In setting such an adverse precedent, it is foreseeable that other property owners, with structures along Main Street that are reaching the end of their economic life, would use the applicant's proposed project, if approved, as evidence to support redevelopment proposals that include inadequate on-site parking. Thus, an approval of this proposed project could lead to foreseeable adverse cumulative impacts on public access. It would also prejudice the City's ability to obtain a Certified Local Coastal Program.

CONCLUSION

As proposed, the project does not provide adequate parking or provide substitute means of serving the development with public transportation. Thus, adverse impacts on public access would occur. Therefore, the Commission finds that the proposed project is inconsistent with Section 30252 of the Coastal Act and must be denied.

C. ALTERNATIVES

The applicant possesses a substantial retail development of significant economic value on the property. In addition, several alternatives to the proposed development exist. Among those possible alternative developments are the following (though this list is not intended to be, nor is it, comprehensive of all possible alternatives):

1. NO PROJECT

No changes to the existing site conditions would result from the "no project" alternative. As such, a retail use that currently provides adequate parking would continue to be provided onsite.

2. REMODELING OF THE EXISTING RETAIL USE

The proposed project entails the construction of a new building with a retail and a business office use that fails to provide adequate parking for those uses onsite. An alternative to the proposed project would be remodeling of the existing retail building (without increasing floor area) that currently does provide adequate parking onsite. This alternative would not result in the need for additional parking onsite unlike the proposed project. Thus, adverse impacts to public access would be avoided.

3. REVISING THE PROPOSED PROJECT TO PROVIDE ADEQAUTE PARKING

Another potential alternative would be revising the proposed project so that adequate parking is provided onsite (or offsite, nearby) to support the proposed uses. Adverse impacts to public access would be avoided if adequate parking was provided onsite (or offsite, nearby).

4. **PARTICIPATION IN AN ACCEPTABLE IN-LIEU FEE PROGRAM**

As stated, the applicant's participation in the currently designed City of Seal Beach In-Lieu Fee Program is unacceptable since it lacks sufficient programmatic elements for it to operate effectively and lacks sufficient resources to construct new parking spaces. However if the in-lieu fee program was revised to address its deficiencies, then adverse impacts to public access would be avoided.

D. LOCAL COASTAL PROGRAM (LCP)

Section 30600(c) of the Coastal Act provides for the issuance of Coastal Development Permits directly by the Commission in regions where the local government having jurisdiction does not have a Certified Local Coastal Program. The permit may only be issued if the Commission finds that the proposed development will not prejudice the ability of the local government to prepare a Local Coastal Program, which conforms with Section 30604 of the Coastal Act.

On July 28, 1983, the Commission denied the City of Seal Beach Land Use Plan (LUP) as submitted and certified it with suggested modifications. The City did not act on the suggested modifications within six months from the date of Commission action. Therefore, pursuant to Section 13537(b) of the California Code of Regulations, the Commission's certification of the land use plan with suggested modifications expired. The LUP has not been resubmitted for certification since that time.

The proposed development is inconsistent with the Chapter 3 policies of the Coastal Act and would prejudice the City's ability to prepare a Local Coastal Program for Seal Beach that is consistent with the Chapter 3 policies of the Coastal Act as required by Section 30604(a). The public access issue associated with the proposed project is a larger planning issue that should be addressed by the City. Approving projects that fail to provide adequate parking onsite that results in impacts to public access could prejudice the City's ability to prepare a LCP that is consistent with the Coastal Act.

E. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). The City of Seal Beach is the lead agency and has determined that in accordance with CEQA, the project is Categorically Exempt from Provisions of CEQA for the construction. However, Section 21080.5(d)(2)(A) 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 effect, which the activity may have on the environment.

While the City of Seal Beach found that the development was Categorical Exempt, the Commission, pursuant to its certified regulatory program under CEQA, the Coastal Act, the proposed development would have both, direct and cumulative adverse environmental impacts. There are feasible alternatives or mitigation measures available, such as remodeling of the existing retail use, revising of the proposed project to provide adequate parking onsite, or participation in an acceptable in-lieu fee program so that public access is not adversely impacted. Therefore, the proposed project is not consistent with CEQA or the policies of the Coastal Act because there are feasible alternatives, which would lessen significant adverse impacts, which the activity would have on the environment. Therefore, the project must be denied.

APPENDIX

SUBSTANTIVE FILE DOCUMENTS

City of Seal Beach Main Street Specific Plan

Downtown Parking Program Update: City of Santa Monica by Walker Parking Consultants, dated June 24, 2009

Down Town Parking Study by W.G. Zimmerman Engineering, Inc. dated August 2003

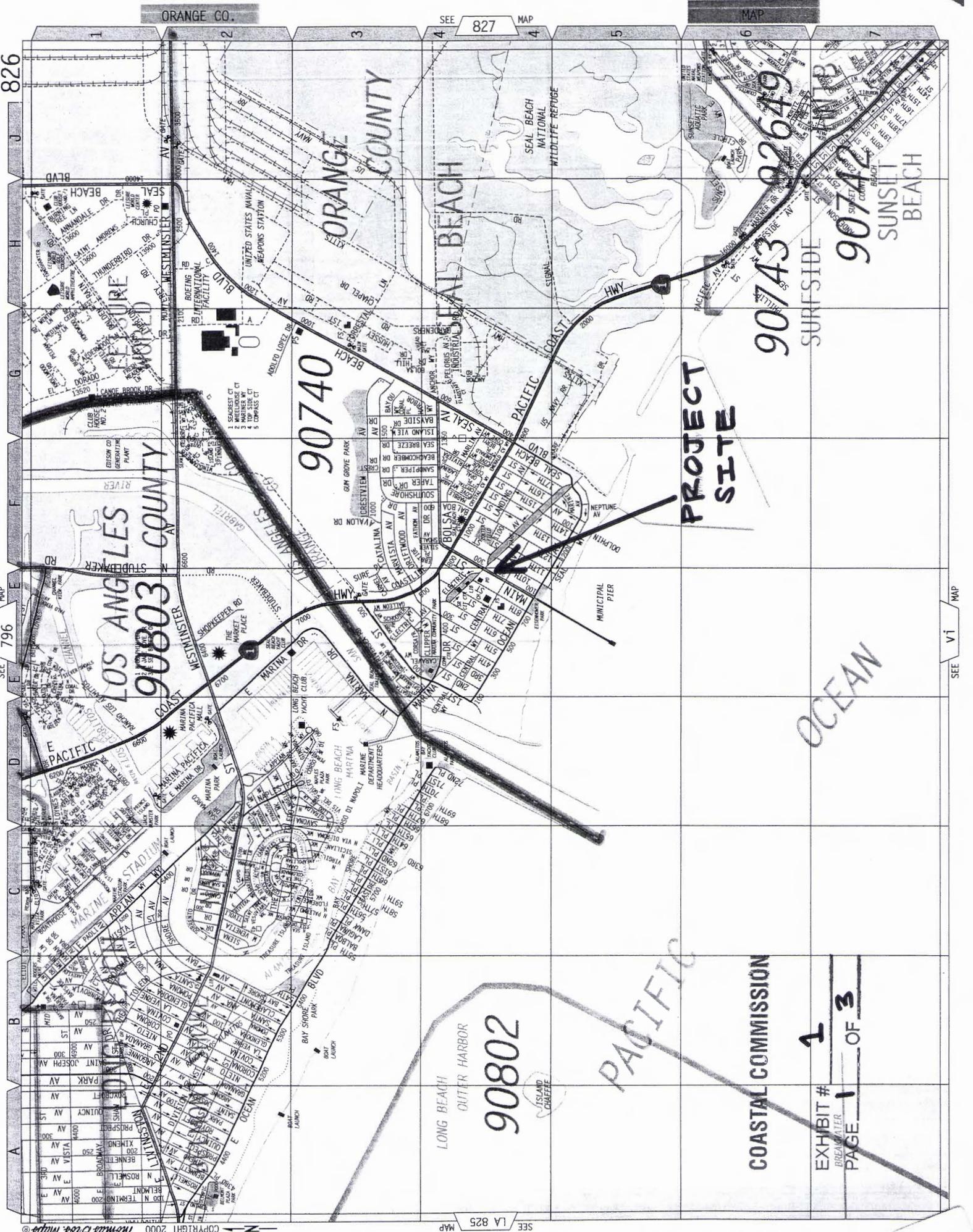
Main St. Parking Meter Study by the City of Seal Beach dated September 2002

Main St. Specific Parking Study by Zucker Systems dated 1996

Letter Anders Lasater Architects, Inc. from Commission staff dated August 3, 2011;

Letter to Commission staff from Anders Lasater Architects, Inc. dated December 7, 2011;

Letter from the City of Seal Beach dated November 23, 2011



PROJECT SITE

OCEAN

90802

COASTAL COMMISSION

EXHIBIT # **1**
 BREAKWATER
 PAGE **1** OF **3**

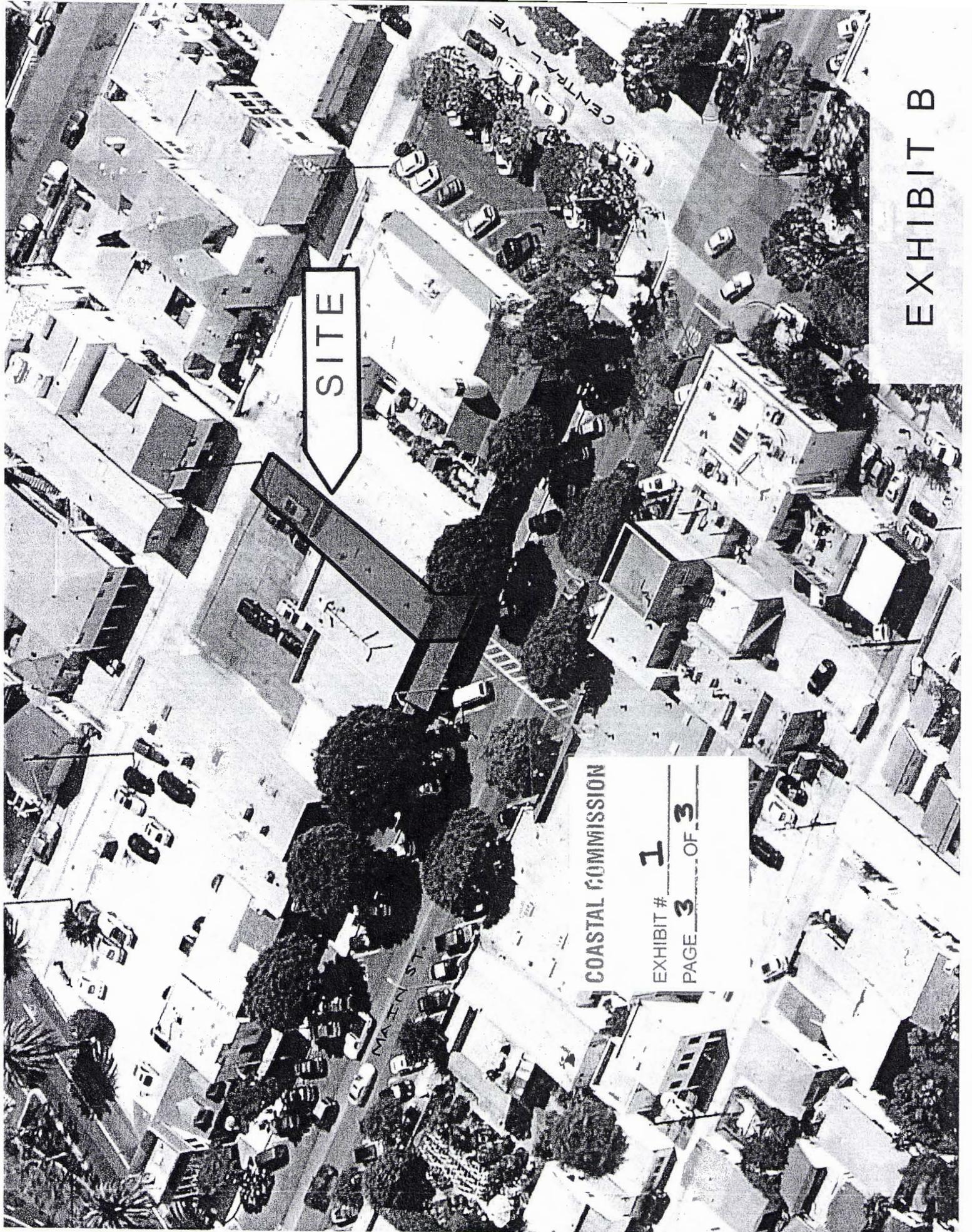
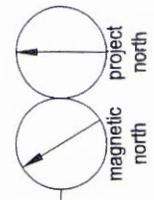
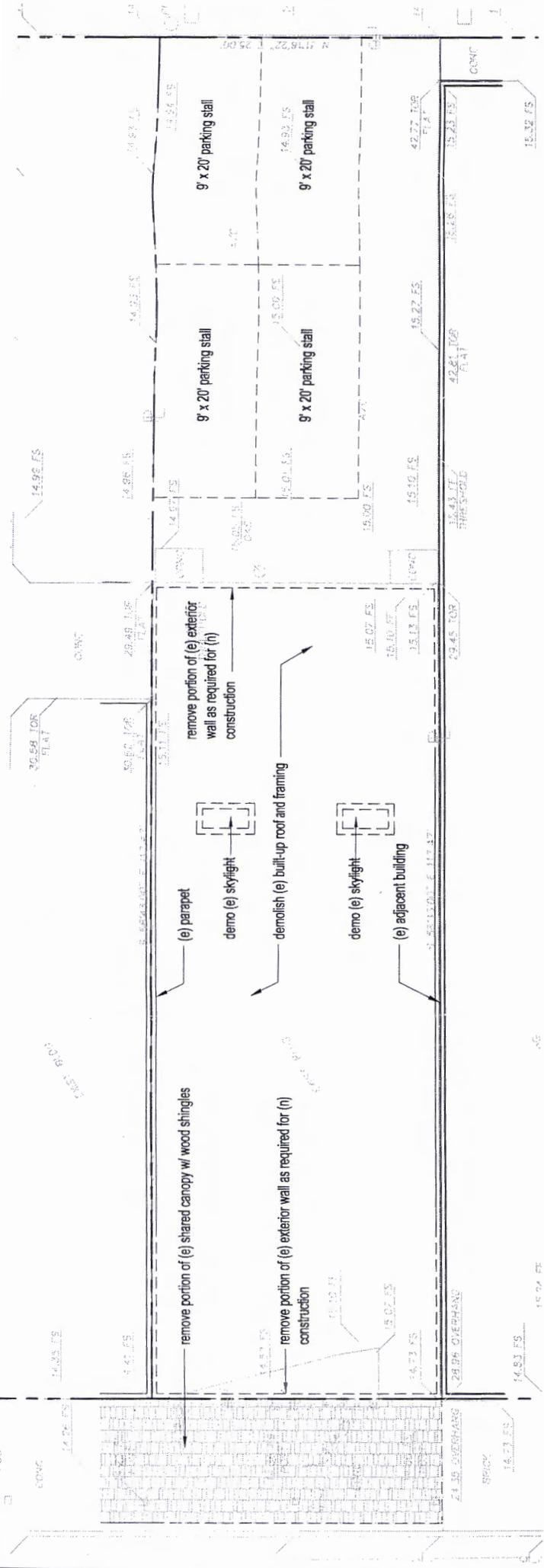


EXHIBIT B

COASTAL COMMISSION
EXHIBIT # 1
PAGE 3 OF 3



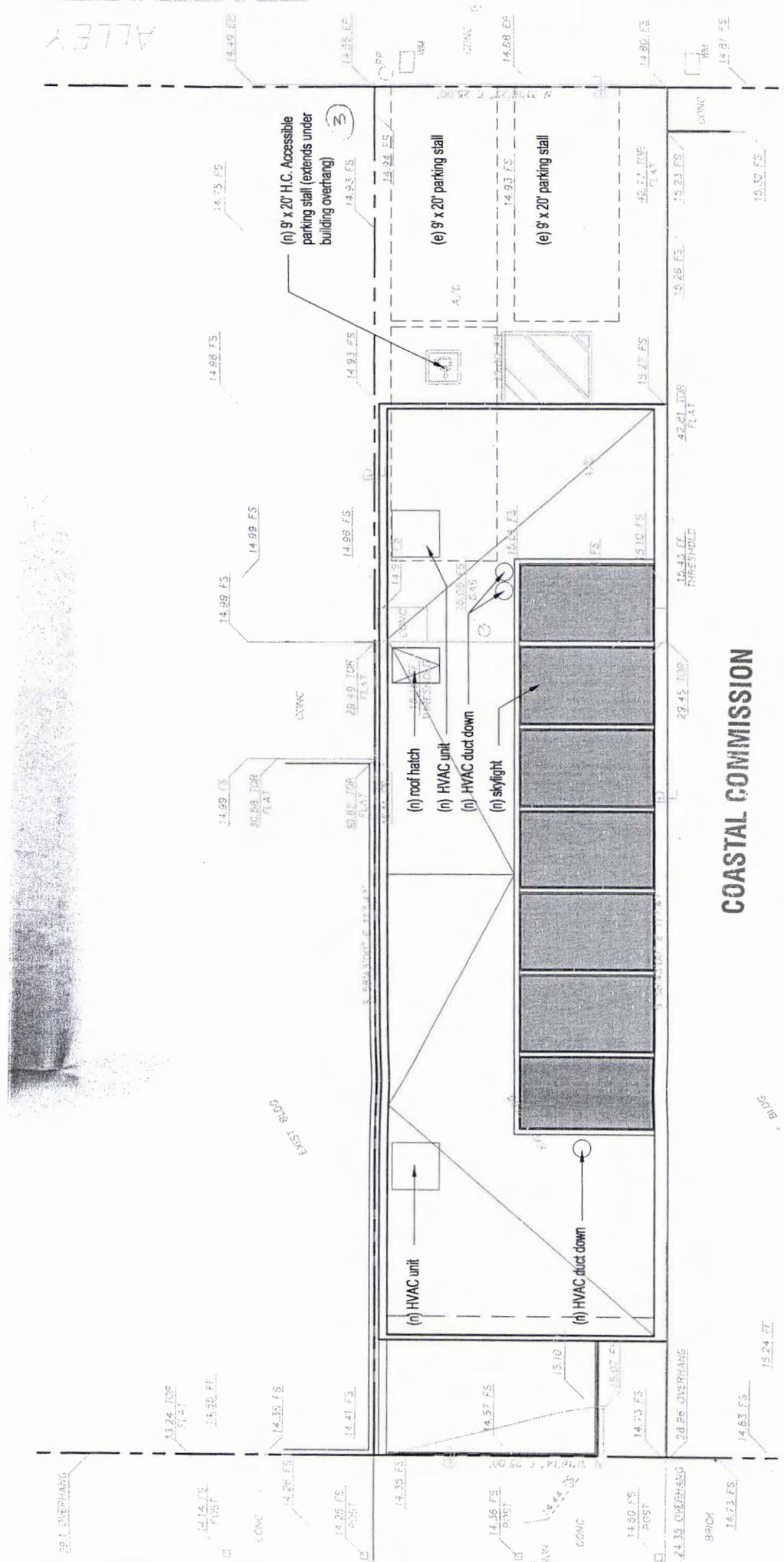
Existing Site Plan

Scale 1"=8'

1

COASTAL COMMISSION

EXHIBIT # 2
PAGE 1 OF 2



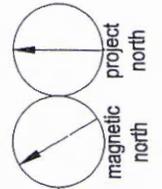
COASTAL COMMISSION

EXHIBIT # 2
PAGE 2 OF 2

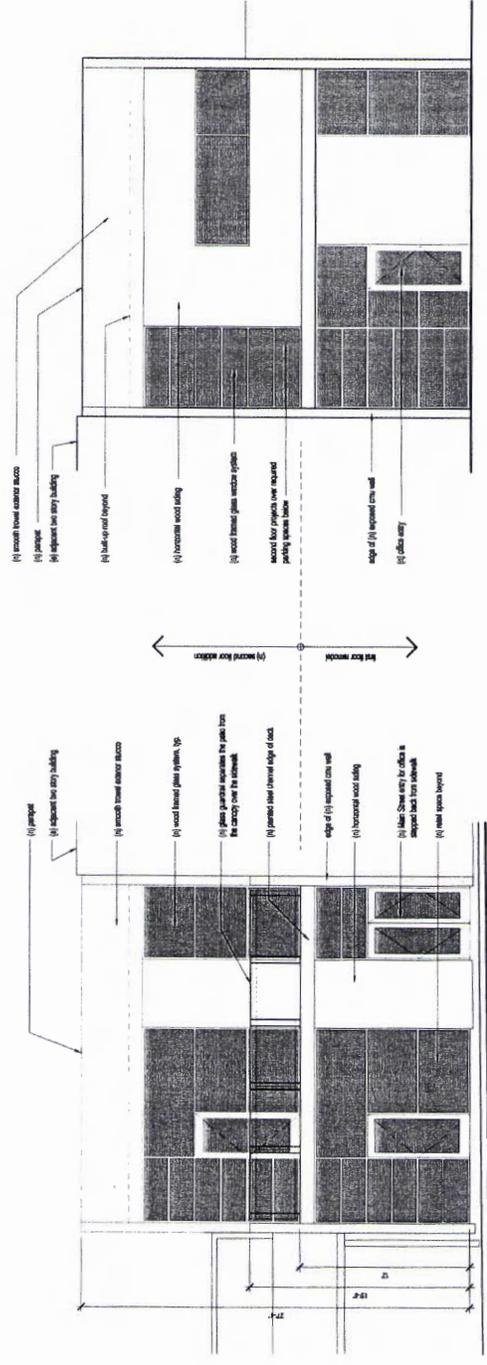
New Site Plan / Roof Plan

Scale 1"=8'

2



1 Main Street Elevation
 Scale 1"=4'



2 Alley Elevation
 Scale 1"=4'

- 1 Issued
- 2 Proposed
- 3 Approved
- 4 Final Construction
- 5 Final Construction
- 6 Final Construction

A3.1
 New Elevations

Hazarian Building 000-2010
 New 2 Story Retail/Office Unit
 214 Main Street
 Seal Beach, CA 90740

Anders Lasater Architects, Inc.
 1560 Beach Drive, Suite 1
 Laguna Beach, CA 92651
 949.497.1277
 anders@anderslasater.com



Revisions

Revisions

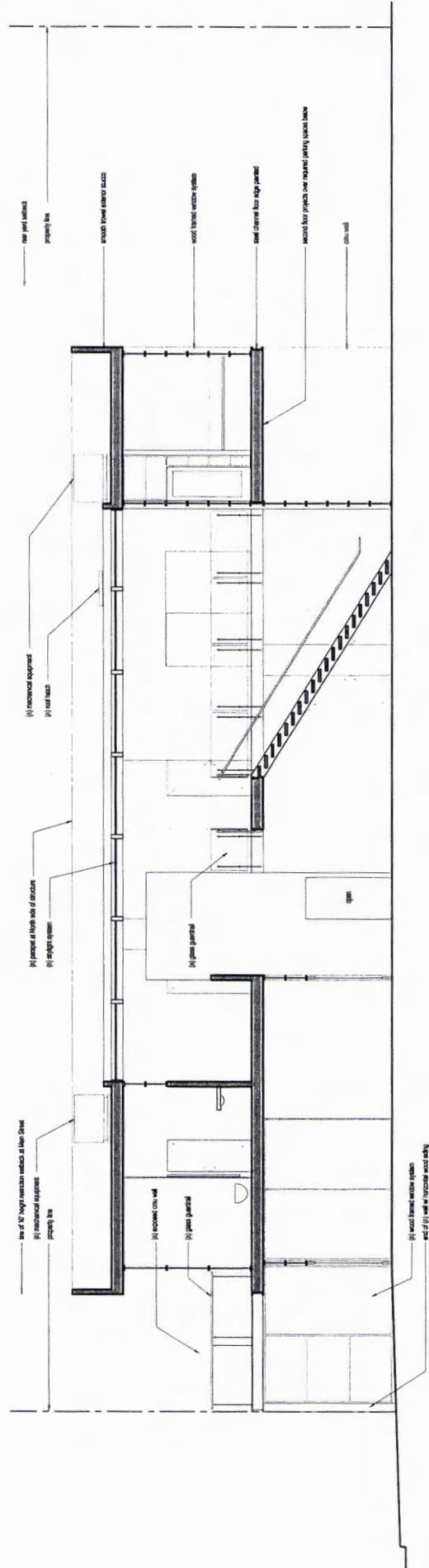


Anders Lasater Architects, Inc.
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Ghazarian Building
 New 2 Story Retail/Office Unit
 214 Main Street
 Seal Beach, CA 90740
 000-2010

- ① Issued
- ② Revision 01
- ③ Revision 02
- ④ Revision 03
- ⑤ Revision 04
- ⑥ Revision 05
- ⑦ Revision 06
- ⑧ Revision 07
- ⑨ Revision 08
- ⑩ Revision 09
- ⑪ Revision 10
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- ㊽ Revision 47
- ㊾ Revision 48
- ㊿ Revision 49

A3.2
 Section A



1 Section A
 Scale 1/4"

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EXHIBIT # S
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