

**CALIFORNIA COASTAL COMMISSION**

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Filed: 6-30-97  
49th Day: 8-18-97  
180th Day: 12-27-97  
Staff: JLR:LB  
Staff Report: 7-17-97  
Hearing Date: Aug. 12-15, 1997  
Commission Action:

STAFF REPORT: REGULAR CALENDAR

APPLICATION NO.: 5-97-119

APPLICANT: Scott McColgan, Shane McColgan and Gregory Alan

PROJECT LOCATION: 117 Pier Avenue, Hermosa Beach

PROJECT DESCRIPTION: Convert an 898 sq. ft. retail store into a restaurant to include 5 in-lieu parking fees.

Lot area:	7,301 sq. ft.
Building coverage:	898 sq. ft.
Pavement coverage:	N/A
Landscape coverage:	N/A
Parking spaces:	NONE
Zoning:	C-2 Restricted Commercial
Plan designation:	General Commercial
Project density:	N/A
Ht abv fin grade:	N/A

LOCAL APPROVALS RECEIVED: Approval in Concept-City of Hermosa Beach

SUBSTANTIVE FILE DOCUMENTS:

1. City of Hermosa Beach Amended Certified Land Use Plan (LUP)
2. Coastal Development Permits 5-93-115, 5-94-217, 5-94-264, 5-94-282, 5-95-049, 5-95-077, 5-96-043, 5-96-075, 5-96-146 and 5-96-152.

BASIC ISSUE: Adequacy of mitigation of impacts of development on beach parking and access. Project provides no additional parking but will participate in the City's in-lieu parking fee program.

SUMMARY OF STAFF RECOMMENDATION:

Staff is recommending approval with no special conditions.

STAFF RECOMMENDATION:

The staff recommends that the Commission adopt the following resolution:

I. Approval

The commission hereby grants a permit for the proposed development on the

grounds that the development 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, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act. II.

#### Standard Conditions

1. 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. Expiration. 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. Compliance. 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. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
6. Assignment. 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. Terms and Conditions Run with the Land. 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

NONE

#### VI. Findings and Declarations:

The Commission hereby finds and declares as follows:

##### A. Project Description and Location:

The proposed project is one of several commercial spaces located in a 2-story,

10,000 sq. ft. building that contains a mix of ground floor commercial uses and second floor office space. The 898 sq. ft. rental space was previously a retail store. The proposed conversion of 898 sq. ft. of the building into a restaurant is considered intensification of use because it increases parking demand. Therefore, it requires a coastal development permit. The subject site is located on Pier Avenue, approximately one block from the public beach.

B. Public Access /Development:

The following Coastal Act policies are relevant:

Section 30211 of the Coastal Act states:

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30212.5 of the Coastal Act states:

Wherever appropriate and feasible, public facilities, including parking areas or facilities, shall be distributed throughout an area so as to mitigate against the impacts, social and otherwise, of overcrowding or overuse by the public of any single area.

Section 30252 of the Coastal Act states:

The location and amount of new development should maintain and enhance public access to the coast ...(4) providing adequate parking facilities...

The Commission must find that the proposed development does not reduce beach access, and that it will not have significant adverse impacts, either individually or cumulatively on coastal resources. The coastal resource here is parking; public street parking spaces. The downtown beach/pier area currently serves as a major visitor destination for recreational purposes. Given this resource, it is important that future development be carefully evaluated so as to protect, preserve and enhance public access to these recreational facilities. Street parking supplies a significant amount of the 1700 spaces identified by the City to serve the beach.

According to the City's certified LUP, intensification of use requires parking. The reason adequate parking is required is that any additional demand for off-street parking spaces would use up beach parking spaces i.e., on street spaces or spaces located within the public parking lots. Adequate parking to serve new development is a public access issue because the downtown public parking lots are heavily used at certain times of the year and will not accommodate substantial new development.

Buildout and subdivision patterns make it impossible for existing structures to provide on-site parking when the demand for parking increases. Because it is often infeasible to require parking to be on-site, the City has two ways to provide parking off-site. These are:

- a) use surplus downtown spaces
- b) use an in lieu fee

In 1994 the City identified 76 spaces in two existing downtown publicly owned parking lots. These existing lots are under-utilized for commercial parking. Therefore, in the Commission's 1994 approval of an LUP amendment, the Commission required new commercial development projects to also participate in the parking validation program for a minimum of two hours.

The 1994 amended LUP also allowed some commercial development to use this underutilized parking to full the parking requirements. These "exceptions" were to be permitted within a limited build-out cap. The amended LUP limited new development eligible to use existing parking "exceptions" within the Downtown Commercial District to a total of 96,250 sq. ft. That cap has now been exceeded because of numerous business improvements and expansions during the past two years. Because the public parking lots are at capacity, all new projects are now subject to the City's standard parking provisions which also include an in-lieu parking fee program.

The City's current in-lieu program has two components. Payment of the in-lieu fees can either be paid by a private party or paid from a transfer of City "set aside funds" based upon a City Council approval. Following is a background summary of that program as submitted by the City:

In 1985 the City Council established the in-lieu fee program based upon a rate of \$6000 per space with allowance for Consumer Price Index adjustment. The program has undergone several amendments and in 1994 the City Council approved the recommendation of the Downtown Enhancement Commission to set aside incentive funds to pay parking in-lieu fees that would otherwise be required for downtown projects. In-lieu funds for up to 20 parking spaces were set aside (\$120,000) and criteria for distribution of the in-lieu funds was established by the City Council.

Subsequently, the City changed parking restrictions in the downtown which were approved by the Coastal Commission under Coastal Land Use Plan (LUP) Amendment No. 6. These new parking requirements allowed significant business improvement and expansion to occur with little need to use set aside funds over the last 2 1/2 years. Recent development of the downtown over this period has resulted in the City exceeding the development threshold for reduced parking standards in LUP No. 6 and all new projects are now subject to the City's standard parking requirements. The City has contributed set aside in-lieu funds for the Hennessey Tavern expansion and has received a request for payment of in-lieu fees by the Mix, a restaurant/retail business (subject site).

Specifically, the amended LUP states the following:

Program: In order to mitigate the impacts of increased parking demand that is created by new development, but is not compensated for by requiring additional parking spaces, the DBAEDC or its successor agency or the private party, shall provide an in-lieu fund transfer or an in-lieu fee to an improvement fund earmarked specifically for creating parking in an amount determined to be sufficient of off-set the increase in required parking spaces caused by the expansion, intensification, or new construction not provided on-site.

If DBAEDC determines that the private party is responsible for the in-lieu fee, the private party shall pay said fee as requested by the DBAEDC.

Program: The City shall not accept a fee in lieu of providing on site parking unless the Planning Director assures that sufficient parking exists to accommodate the parking demand of new development. The improvement fund to mitigate increased parking demand shall be geared to a threshold limit of increased parking demand. The threshold limit shall be established at 100 parking spaces.

The City approved the subject restaurant conversion to allow the use of the City set aside in-lieu fees for the required parking spaces rather than requiring all or some parking on-site. According to the City's certified LUP, the proposed restaurant conversion requires five parking spaces. That calculation was based on "the difference between the required parking for a restaurant (1 per 100 sq. ft.: 9 spaces) and the required parking for the retail use (1 per 250 sq. ft.: 4 spaces) resulting in a required five additional spaces". Therefore, the City required an in-lieu payment or fund transfer to be provided in the amount of \$30,000 (\$6,000 per space). That payment will be deposited in a parking improvement fund in-lieu of providing the required five additional spaces on site. City's requirements are based on studies showing average use and showing trip generation by downtown businesses.

The City's certified LUP allows the City to require in-lieu parking fees if sufficient parking within the downtown area exists to accommodate the parking demand of new development. At this point in time, the City has demonstrated in a 1996 traffic report that there are adequate parking facilities in the surrounding area. Therefore, according to the provisions of the amended LUP, it was appropriate for the City to impose a condition requiring the applicant to provide five in-lieu fund transfers into a City fund for improvements and/or construction of parking facilities within the District and/or for acquisition of property to be utilized for parking.

The proposed restaurant conversion will mitigate parking impacts by contributing into a parking fund that will eventually be used to enhance overall parking needs in the surrounding area. Therefore, the Commission finds that the proposed project will not interfere with public access to the shoreline consistent with Sections 30211 and 30212.5 of the Coastal Act and the City's 1994 certified LUP amendment.

C. Consistency with the 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 application, as conditioned, 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.

As submitted, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse

impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project can be found consistent with the requirements of the Coastal Act to conform to CEQA.

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Exhibit A  
5-97-119





P.C. RESOLUTION NO. 97-27

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING A PARKING PLAN TO ACCEPT PAYMENT FEES IN-LIEU OF PROVIDING REQUIRED PARKING ON-SITE TO ALLOW THE CHANGE OF USE OF AN EXISTING RETAIL SPACE TO A RESTAURANT AT 117 PIER AVENUE, LEGALLY DESCRIBED AS LOTS 1 AND 2, BLOCK 34, FIRST ADDITION TO HERMOSA BEACH

WHEREAS, the Planning Commission held a public hearing on March 18, 1997, to receive oral and written testimony regarding the requested Parking Plan to allow a new restaurant and made the following findings:

- A. The applicant is proposing to remodel the interior of an existing retail space, for purposes of opening a restaurant in a portion of the space and to continue the retail use in the remaining portion;
- B. Accepting fees in lieu of providing any parking on site is appropriate for the proposed use within the downtown vehicle parking district, and consistent with Section 17.44.190 of the Zoning Ordinance;
- C. Pursuant to Section 17.44.210 of the Zoning Ordinance requiring less than the percentage of on site required parking otherwise required by Section 17.44.190 when accepting in-lieu fees for a site in the 4,000 to 12,000 square foot range, is appropriate in this case because the following factors reduce the need for required on-site parking: The uniqueness of proposed combination retail and restaurant use; the probability for a significant percentage of bicycle and walk-in traffic; and the location within the downtown district in which available public parking is shared by businesses with varying peak demand times;
- D. The project is Categorically Exempt from the requirement for an environmental assessment, pursuant to the California Environmental Quality Act Guidelines, Section 15303(c) with the finding that the project is in an area with available services.

Exh. b, t c  
1 of 2  
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1 NOW, THEREFORE, BE IT RESOLVED THAT THE PLANNING COMMISSION OF  
2 THE CITY OF HERMOSA BEACH DOES HEREBY APPROVE A PARKING PLAN  
3 TO ALLOW PAYMENT OF FEES IN-LIEU OF PROVIDING REQUIRED PARKING

4 SECTION I Specific Conditions of Approval

- 5 1. The development and continued use of the property shall be in conformance with  
6 submitted plans. Modifications to the plan shall be reviewed and may be approved by the  
7 Community Development Director.
- 8 2. A in-lieu fee payment or fund transfer approved by the Downtown Enhancement  
9 Commission and City Council shall be provided in the amount of \$30,000 to a parking  
10 improvement fund, in-lieu of providing the required five additional parking spaces on site,  
11 prior to the issuance of any building permits for the restaurant project.

12 VOTE: AYES: Comms. Perrotti, Pizer, Chmn. Tucker  
13 NOES: None  
14 ABSTAIN: Comms. Merl, Schwartz  
15 ABSENT: None

16 CERTIFICATION

17 I hereby certify that the foregoing Resolution P.C. 97-27 is a true and complete record of the  
18 action taken by the Planning Commission of the City of Hermosa Beach, California at their  
19 regular meeting of March 18, 1997.

20 Peter Tucker  
21 Peter Tucker, Chairman

22 Sol Blumenfeld  
23 Sol Blumenfeld, Secretary

24 4-15-97  
25 Date

26 KR/h:rs117

27 Exhibit C  
28 2 of 2  
29 5-97-119

March 11, 1997

Honorable Chairman and Members of the  
Hermosa Beach Planning Commission

Regular Meeting of  
March 18, 1997

SUBJECT: PARKING PLAN 97-2

LOCATION: 117 PIER AVENUE

APPLICANT: GREGORY ALAN AND SHANE MCCOLGAN  
1200 HERMOSA AVENUE  
REDONDO BEACH, CA 90278

REQUEST: TO ALLOW THE PAYMENT OF AN IN-LIEU FEE INSTEAD OF  
PROVIDING REQUIRED PARKING FOR A PROPOSED RESTAURANT

Recommendation

To approve the request to allow the use of the in-lieu fees in order to allow the proposed intensification of use.

ALTERNATIVE

To make additional findings to allow less than required parking, thereby reducing or eliminating the requirement for the payment of in-lieu fees.

Background

The Downtown Enhancement Commission, at their meeting of March 5, 1997, made a recommendation to City Council, to provide some of the set-aside incentive funds in the Downtown Enhancement Fund to pay for the needed in-lieu fees for 5 parking spaces (\$30,000).

PROJECT INFORMATION:

ZONING:	C-2, Restricted Commercial
GENERAL PLAN:	General Commercial
LOT SIZE:	7301 sq. ft.
GROSS EXISTING FLOOR AREA (Including adjacent restaurant and retail and offices above)	approx 10,000 sq. Ft.
FLOOR AREA OF PROPOSED RESTAURANT:	898 sq. ft.
PARKING:	None
ENVIRONMENTAL DETERMINATION:	Categorically Exempt

The applicant is proposing to convert 898 square feet of the existing 1800 square foot space for a proposed restaurant "The Mix," a non-alcohol coffee shop/restaurant, and use the remaining portion for retail sales. The subject building is a portion of a two story structure which contains a mix of ground floor commercial uses, including "Club Sushi", and second floor office space. The

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Exhibit D  
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subject location, was previously a retail space, and the proposed conversion of part of it to a restaurant is considered an intensification of use, and results in an requirement for 5 additional parking spaces pursuant to on Section 17.44.140 of the Zoning Ordinance.

#### Analysis


Section 17.44.190 allows the Commission to consider accepting fees in-lieu of parking with the approval of a Parking Plan. Pursuant to that section, building sites containing 4,000 to 12,000 square feet are required to provide a minimum of 50% of required parking on-site. However, the Commission may also consider waiving the percentage on-site requirement pursuant to Section 17.44.210, Parking Plans, based on factors such as the uniqueness of the proposed use, bicycle and walk in traffic, and peak hours relative to peak hours of other businesses who use the same parking..

Given the relatively small size of the proposed restaurant, and its location near public parking, staff believes that paying the in-lieu fee is appropriate for this proposed project, consistent with the intent of the downtown vehicle parking district in-lieu fee program. The overall impact on parking demand in the district will be minimal, and will be mitigated by the contribution to a parking fund, which will eventually be used to enhance overall parking supplies in the area. The Commission must make the findings to support both the use of the in-lieu fee, and the waiver of the requirement that 50% of required parking must be provided on-site.

Staff also believes that findings can be made to waive the 50% on-site parking requirement because of the unique retail/restaurant mix, the location near the bike path, and shared parking with other business in the area which have varying times for peak parking demands. These various factors eliminate the need for directly accessible parking.

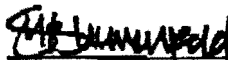
#### ALTERNATIVE

Given the type of restaurant, its location in the downtown, and other factors such as customers walking or biking, the Commission may determine that less than required parking is needed for the project, and reduce or eliminate the need for in-lieu fees. While staff believes these factors do reduce the need for directly accessible on-site parking, staff is not recommending a complete waiver of parking requirements given that the Coastal Commission ultimately must approve this project in accordance with the City's L.U.P. which states that in-lieu fees are needed to "off-set the increase in required parking caused by the expansion, intensification, or new construction not provided on site."



Ken Robertson  
Associate Planner

CONCUR:



Sol Blumenfeld, Director  
Community Development

#### Attachments

1. Proposed Resolution
2. Location Map
3. D.E.C. staff report/minutes

KR/sl17

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Exhibit D  
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