

CALIFORNIA COASTAL COMMISSION

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Filed:

April 7, 1999

49th Day:

May 26, 1999

180th Day:

October 4, 1999

Staff:

KFS-LB 🍂

Staff Report: Hearing Date:

April 22, 1999 May 11-14, 1999

Commission Action:

STAFF REPORT: REGULAR CALENDAR

APPLICATION NO:

5-99-026

APPLICANT:

Ellen G. Musso

RECORD PACKET COPY

AGENT:

Dave Bartlett

PROJECT LOCATION: 321 Seal Beach Boulevard, City of Seal Beach, County of Orange

PROJECT DESCRIPTION: Demolish an existing approximately 9,000 square foot one and two level commercial building on a 24,187.5 square foot site presently subdivided into nine 25 foot by 107.5 foot lots. Reduce the number of lots from nine lots to eight lots that are 107.5 feet deep, of which three will be 26 feet wide, three will be 29 feet wide, and two will be 30 feet wide. Construct eight two story, single family residences, one on each lot, ranging in size from 2,600 square feet to 2,900 square feet.

SUMMARY OF STAFF RECOMMENDATION:

Staff recommends <u>DENIAL</u> of the proposed project because it is not in conformity with the Chapter 3 policies of the Coastal Act. Staff believes the proposed project is inconsistent with the visitor serving policies of the Coastal Act. Specifically, staff is recommending denial of the proposed project because the project would demolish an existing visitor serving commercial use and construct a medium density residential development, a lower priority use under the Coastal Act, at a significant visitor serving node within the City of Seal Beach.

STAFF NOTE

Since the City of Seal Beach does not have a certified land use plan, the land use designation and zoning code change, undertaken by the City of Seal Beach in approving the project at the local level, is not the subject of this coastal development permit application. However, the proposed development, which includes replacement of a visitor serving commercial structure with residential structures and a lot merger, is subject to the Chapter 3 policies of the Coastal Act, including the visitor serving requirements of that chapter.

LOCAL APPROVALS RECEIVED: General Plan Amendment 98-2; Zoning Change 98-2; Conceptual approval by the City of Seal Beach dated March 1, 1999.

SUBSTANTIVE FILE DOCUMENTS: Coastal development permit P-78-4124; Visitor Serving Commercial Development Analysis by Economic Research Associates dated November 2, 1998; City of Seal Beach General Plan and Zoning Code; Negative Declaration 98-3 adopted by City Council resolution 4671; Urban Design Master Plan Seal Beach Boulevard adopted by the City of Seal Beach City Council on September 9, 1986.

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STAFF RECOMMENDATION:

The staff recommends that the Commission make the following motion and adopt the following resolution:

I. <u>Denial - Motion and Resolution.</u>

Motion:

"I move that the Commission approve Coastal Development Permit 5-99-026 subject to conditions."

Staff Recommendation of Denial:

Staff recommends a NO vote and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

The Commission hereby <u>DENIES</u> a coastal development permit for the proposed development on the grounds that the development will not conform with the policies of Chapter 3 of the California Coastal Act of 1976 including the public access and recreation policies of Chapter 3, the development would 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 because there are alternatives available which would reduce significant adverse effects on the environment within the meaning of the California Environmental Quality Act.

II. Findings and Declarations.

The Commission hereby finds and declares as follows:

A. Project Description and Location

The proposed project is located at 321 Seal Beach Boulevard, one parcel seaward of the intersection of Seal Beach Boulevard and Pacific Coast Highway ("PCH") (Exhibit 1). The proposed project is to demolish an existing approximately 9,000 square foot one and two level commercial building on a 24,187.5 square foot site presently subdivided into nine 25 foot by 107.5 foot lots. The proposal includes reducing the number of lots from nine lots to eight lots that are 107.5 feet deep, of which three will be 26 feet wide, three will be 29 feet wide, and two will be 30 feet wide. Eight two story, single family residences will be constructed, one on each lot, ranging in size from 2,600 square feet to 2,900 square feet. Each residence will have two enclosed parking spaces (Exhibit 2). Vehicle access to the residences will occur via an existing alley. On street parking along the Seal Beach Boulevard frontage will increase from seven spaces to twelve spaces when the existing curb cuts used to access the existing commercial center are abandoned.

The existing commercial center included a retail clothing store (Shore Shop), a shoe store (Villager Shoes), a hair salon (Carefree Haircutting), and a deli (Ocean Breeze Deli). At least three of these uses, the deli, retail clothing store, and shoe shop, may be considered visitor serving commercial uses. All tenants have either closed, elected to move, or moved because

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the lease was not renewed. Existing uses in the same block as the subject site include a mixture of commercial and residential uses. North of the project site, at the intersection of PCH and Seal Beach Boulevard is a mini-mart and bait shop. South of the project site along Seal Beach Boulevard are residential uses (Exhibit 1, page 3 and Exhibit 3).

The City of Seal Beach General Plan and Land Use Plan (not certified) designates land use as General Commercial (C-G) for the project site, and the block bounded by PCH to the north, Seal Beach Boulevard to the east, Landing Avenue to the south and an unnamed alley to the west. However, the City Council of the City of Seal Beach adopted resolution number 4672 adopting General Plan amendment 98-2 which changed the land use designation at the project site from General Commercial (C-G) to Residential Medium Density (RMD). In addition, the City Council changed the zoning designation at the project site from General Commercial (C-2) to Residential Medium Density (RMD). As of the date of this staff report, the land use designation and zoning on the other parcels within the same block remain General Commercial. Accordingly, the residential uses in this block are existing non-conforming uses (Exhibit 1, page 3). Exhibit 1, page 3 identifies the land use designation and zoning prior to the recent action by the City Council of the City of Seal Beach. This same exhibit identifies the actual use (i.e. not the use designation) of the sites depicted.

Uses along PCH in the vicinity west of the project site are commercial. Moving seaward from PCH, west of Seal Beach Boulevard and the project site, the use changes to residential (Exhibit 1, pages 1 and 3). Meanwhile, moving seaward along those sites on the west side facing Seal Beach Boulevard there is a mixture of commercial and residential uses. Between PCH and Electric Avenue on the west side of Seal Beach Boulevard, there are ten sites with residential uses and eight sites with commercial uses. At least two other lots along this length of Seal Beach Boulevard are vacant. The land use and zoning designation for those sites seaward of the project site and Landing Avenue, between Landing Avenue and Electric Avenue on the west side of Seal Beach Boulevard, is Limited Commercial (L-C) (Exhibit 1, page 3 and Exhibit 3).

The subject site is located approximately 1,500 feet from the City's primary, mile-long public beach. Vertical public access to this beach is available in the vicinity at several street ends including Electric Avenue, Neptune Avenue, and Dolphin Avenue. These street ends provide access to Seal Way, a lateral accessway (paved walkway) along the shoreline extending from Electric Avenue to the municipal pier (Exhibit 4).

On the east side of Seal Beach Boulevard between PCH and Electric Avenue is Anaheim Bay and the Naval Weapons Station. This area is designated by the City of Seal Beach General Plan as Public Land Use/Recreation (PLU/R). Excepting some areas of Anaheim Bay, public access and recreation on Naval Weapons Station property is presently prohibited. A fence along the Naval Weapons Station property boundary facing the east side of Seal Beach Boulevard prevents access to the site. A bicycle path runs along the east side of Seal Beach Boulevard continuing from PCH to Electric Avenue where there is access to Seal Way, the paved lateral accessway along the beach. Bicycle path users have a mostly unobstructed view of Anaheim Bay and the Naval Weapons Station from the bicycle path between PCH and Electric Avenue (Exhibit 1 page 2 and 3).

The General Commercial land use and zoning designation, for which the project site was until recently designated and zoned, is the least restrictive commercial designation for commercial uses within the City of Seal Beach. Permitted uses within the General Commercial zone include visitor serving commercial uses such as restaurants and retail commercial shops,

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among other uses including automobile dealerships and repair, gymnasiums, mortuaries, and service commercial. The Limited Commercial designation, for which properties seaward of the project site, between Landing Avenue and Electric Avenue are designated and zoned, also allows visitor serving commercial uses including retail specialty shops. The Limited Commercial zoning is designed to allow a mixture of low intensity commercial use and residential use on a single site.

B. History of Subject Site and Vicinity

The subject property has been in continual commercial use for at least the past thirty years. In fact, commercial use of the site was intensified through the addition of commercial space in 1978. The South Coast Regional Commission approved coastal development permit application P-9-27-78-4124 on October 30, 1978. This approval allowed the demolition of an existing retail shop and storage building and addition of a two-story retail shop to an existing commercial structure on the site. Based upon a review of the approved plans and a recent site visit by Commission staff, the approved development was constructed. No subsequent development proposals have been submitted to the Coastal Commission at the subject site.

C. Chapter 3 Policy Analysis

Section 30213 of the Coastal Act states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and where feasible, provided. Developments providing public recreational opportunities are preferred.

Section 30222 of the Coastal Act states:

The use of private lands suitable for visitor-service 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 30250(c) states:

Visitor-serving facilities that cannot be feasibly located in existing developed areas shall be located in existing isolated developments or at selected points of attraction for visitors.

The Coastal Act places a higher priority on visitor-serving commercial uses than on private residential uses. Visitor serving uses provide greater public benefit than private residential uses because a larger segment of the population is able to take advantage of and enjoy the use. In addition, visitor serving commercial areas provide services to the visiting beach user including providing places to dine and shop. The location of the proposed project is on the seaward side of the intersection of Seal Beach Boulevard and PCH approximately 1,500 feet from the nearest publicly accessible beach and approximately 300 feet from the mean high tide line in Anaheim Bay. The site is located near the intersection of two major beach access corridors: PCH and Seal Beach Boulevard. Seal Beach Boulevard provides direct beach access from inland areas via Interstate 405. In addition, Seal Beach Boulevard is one of only three significant street accessways to the beach off of PCH within the City of Seal Beach. The other two significant street accessways occur at Main Street and First Street. Bicycle paths

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exist along both PCH and Seal Beach Boulevard. Curbside public parking is available on Seal Beach Boulevard.

In order to assess the effect the proposed project would have upon visitor serving commercial resources in Seal Beach, the applicant submitted Memorandum: Visitor Serving Commercial Development Analysis dated November 2, 1998 by Economics Research Associates ("Economic Analysis") (Exhibit 5). This analysis argues that the subject site is a poor commercial location because the site occurs upon a stretch of Seal Beach Boulevard with low traffic counts, the subject site is not near the established visitor serving and resident serving commercial area within the City, and because visibility of the site is poor from PCH. However, no data was submitted to substantiate any relationship between traffic counts and the success of commercial enterprise at the subject site. In fact, the site has been operating successfully in commercial usage for at least the past thirty years. Furthermore, at least one tenant interviewed by Commission staff, Ocean Breeze Deli, reported robust and increasing business. Also, the subject site is contiguous with one of the primary visitor serving and resident serving commercial areas which occurs along PCH between Seal Beach Boulevard and 5th Street. Furthermore, up to half the sites which are land use designated and zoned "commercial", seaward of the subject site, are in commercial usage. Finally, the site is visible and easily accessible. Existing traffic, location, and visibility conditions have allowed the site to remain in continual operation as a commercial facility for at least the past 30 years. There is an unobstructed view of the subject site when travelling north along PCH, a major beach access corridor. In addition, there is a traffic signal and turn lane which allows easy access to the site by traffic travelling north on PCH. Furthermore, the site is partially visible to traffic travelling toward the beach on Seal Beach Boulevard.

The applicant's Economic Analysis argues that the subject site is not well suited for commercial uses because there is no anchor tenant nearby, no concentration of retail uses, minimal pedestrian traffic, and low population density to support the site as a neighborhood convenience commercial center. However, no data has been submitted to substantiate that an anchor tenant and nearby retail uses are required for successful commercial operation of the site. The successful operation of the site in a commercial capacity for the past 30 years is evidence to the contrary. In addition, there are other nearby commercial uses, besides retail uses, at the mini-mart and bait shop adjacent to the site and in Mitchell Plaza which is near the site on PCH. In addition, an interview by Commission staff of the proprietor of Ocean Breeze Deli, prior to their business's departure from the subject site, revealed that beach goers commonly parked along Seal Beach Boulevard near the subject site and purchased food and beverages on their way to the beach. In addition, the proprietor stated that employees from a nearby Rockwell industrial facility were common customers. Also, as stated above, the proprietor described Ocean Breeze Deli's business as robust and increasing. Foot traffic during the beach visitation season was also reported as high.

The Economic Analysis provided by the applicant asserts that the project site should not remain in commercial use and should be changed to residential use because the existing adjacent and surrounding land uses are incompatible with commercial development. However, the subject site has been land use designated commercial in the City's General Plan Land Use Plan (not certified) for at least the past 30 years. The juxtaposition of the visitor serving commercial property with the residential uses has existed for at least the past 30 years during which the existing commercial center remained successful. In addition, residentially zoned areas abut visitor serving commercial areas in other areas throughout the City including Main Street and PCH and are nevertheless successfully developed.

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The Economic Analysis provided by the applicant claims that the proposed loss of the existing commercial site will be off set in part by a proposed commercial (hotel) development at the Department of Water and Power property located between the San Gabriel River Channel, First Street, Marina Drive, and the public beach (Exhibit 3). However, viability of that site as a commercial site was not evaluated by the applicant. In addition, no application has been submitted to the Commission regarding this anticipated development. A proposed and potential future development which the Commission has not reviewed nor approved cannot be considered as a replacement for an existing visitor serving commercial use. The Economic Analysis also cites the Hellman property (Exhibit 3) as having future visitor serving uses. Once again, there is no guarantee that the Hellman property development (5-97-367) will occur.

The applicant's Economic Analysis claims that visitor serving retail enterprises in Seal Beach perform on average 30% below the County average of sales per outlet. This information is used to indicate that there is adequate visitor serving facilities in the City to satisfy near-term requirements. However, the Economic Analysis also reports that the vacancy rate of other commercial centers in Seal Beach do not exceed ten percent, and in most cases do not exceed five percent. This information suggests the present demand for commercial locations in the City of Seal Beach is high. This demand will likely increase as population in the area increases. The Economic Analysis reports that the population of Seal Beach increased by 6.6% between 1990 and 1998 (Exhibit 5, page 4). The Southern California Association of Governments (SCAG) 1998 RTP Adopted Forecast for population change in Orange County anticipates at least a 5% population increase in Orange County between 2000 and 2005 and an 8.6% population increase between 2000 and 2010 (Exhibit 8). While the SCAG population projections are not specific to the City of Seal Beach, growth in areas outside the City will result in an increased demand for recreation in coastal areas. An adequate supply of visitor serving commercial areas will be required to support the larger number of people visiting the coastal zone. The information provided in the Economic Analysis states that near-term requirements are satisfied. However, the low vacancy rate and historical population increase and projected future population increase suggests that demand for visitor serving commercial development is presently high, and longer term, will continue to rise. Therefore, at minimum, existing visitor serving commercial areas need to be preserved.

The subject site is located at a keystone commercial location on Seal Beach Boulevard. The commercial use of the subject site establishes a commercial character for the street. Businesses located further seaward of the project site do not have the same visibility the subject site has from PCH. As mentioned previously, land use and zoning along this stretch of Seal Beach Boulevard include General Commercial and Limited Commercial designations. Actual use includes both residential and commercial. If the subject site is converted to residential use, the largest, most visible, existing commercial presence will be eliminated. In the absence of this commercial presence and limited visibility of the other commercial uses seaward of the subject site, it is likely that any remaining commercial viability on this section of Seal Beach Boulevard will be substantially reduced. Over time, the remaining commercial uses would likely be converted to residential use. Therefore, the conversion of the subject site to residential development will likely lead to the longer term cumulative loss of all commercial use along Seal Beach Boulevard between PCH and the beach.

The subject site is included within the Seal Beach Boulevard Urban Design Master Plan, a public amenities improvement plan adopted by the City Council of the City of Seal Beach on September 8, 1986 (Exhibit 7). The plan outlines many public improvements to the seaward extension of Seal Beach Boulevard from PCH to Electric Avenue. These public improvements

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include re-striping to accommodate diagonal parking, landscaping, decorative paving, historical markers and lighting, a city entry sign, bus stop shelters, and miscellaneous infrastructure improvements. The public improvements were designed to revitalize the street and provide an entryway to Seal Beach. However, the improvement plan did not allocate a specific budget for the public improvements. Instead, improvements were to be implemented over time as funds became available. At present, few, if any of the proposed improvements have occurred.

The City of Seal Beach submitted a letter to Commission staff (Exhibit 6) which states that the improvement plan has not succeeded because no private sector improvements have been implemented on the street. The lack of improvements, in turn, has allowed the street to continue to deteriorate as a commercial area. Subsequently, according to the City, the subject site is no longer a viable commercial location. However, the improvements proposed in the improvements plan require public investment, not private investment. Since the improvements have not occurred, the area lacks those elements that were designed to increase public attraction to the area.

There are other visitor serving areas in the Seal Beach coastal zone near the municipal pier (Exhibit 3). However, visitor serving uses should be strategically located to serve the needs of visitors and to diffuse the demand of the public for any single beach area. Access to visitor serving commercial establishments at a location alternate to Main Street and the beach flanking the municipal pier would provide an opportunity to diffuse the demand upon this popular beach.

For the reasons identified above, including the site's proximity to the beach, bicycle and pedestrian paths, public street parking, and its location at the intersection of two major beach access corridors, the specific location of the subject site is an appropriate location for visitor serving commercial use. The likelihood that the site can continue to be developed with a visitor serving use is demonstrated by the successful historical presence of visitor serving uses at the site over the past 30 years.

The Commission finds that the proposed project is inconsistent with the Coastal Act policies which require that visitor serving uses be protected and the use of lands suitable for visitor serving commercial facilities shall have priority over private residential development. Therefore, the Commission denies the proposed project because it is inconsistent with the Chapter 3 policies of the Coastal Act.

D. Local Coastal Program

Section 30604 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 the Chapter 3 policies 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

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certification of the land use plan with suggested modifications expired. The LUP has not been resubmitted for certification since that time.

As outlined in this staff report, the proposed project is not in conformity with the visitor serving policies of Chapter 3 of the Coastal Act. The proposed development would change the site from a visitor serving commercial use to a residential use. This change from a visitor serving commercial development to residential development would result in a long term commitment of the site to residential use. Since the character and use of the site would be transformed from a high priority use to the lowest priority use under the Coastal Act, the proposed development prejudices the ability of the local government 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).

E. California Environmental Quality Act

Section 13096 of the Commission's 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)(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.

As described above, the proposed project is not consistent with the recreation policies of the Coastal Act concerning the enhancement of visitor serving commercial opportunities in the coastal zone. There are feasible alternatives or mitigation measures available, such as redevelopment of the site in visitor serving commercial use. Prior success of visitor serving commercial uses at the site, such as the Ocean Breeze Deli, suggest that visitor serving commercial use of the site is a feasible alternative. This alternative would substantially lessen any significant adverse effect which the activity may have on the environment. 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 effects which the activity would have on the environment. Therefore the project must be denied.

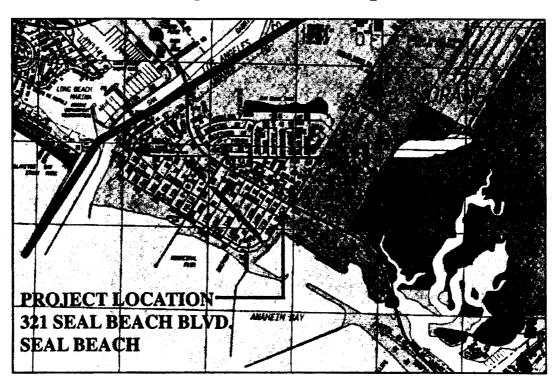
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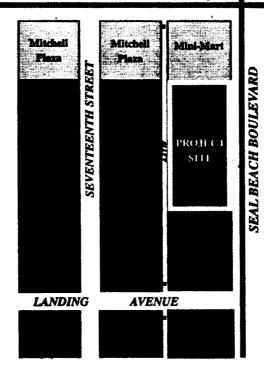
List of Exhibits

Exhibit 1	Location Maps
Exhibit 2	Proposed Project Plans
Exhibit 3	Existing Land Uses
Exhibit 4	Coastal Accessways
Exhibit 5	Visitor Serving Commercial Development Analysis by Economic Research Associates dated November 2, 1998
Exhibit 6	Letter to Commission staff from the City of Seal Beach dated March 18, 1999
Exhibit 7	Urban Design Master Plan Seal Beach Boulevard adopted by the City of Seal Beach City Council on September 9, 1986
Exhibit 8	Southern California Association of Governments County Population Forecasts, 1998 RTP Adopted Forecast, April 1998
Exhibit 9	Letters of Opposition to the Proposed Project

Project Location Maps







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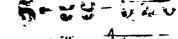
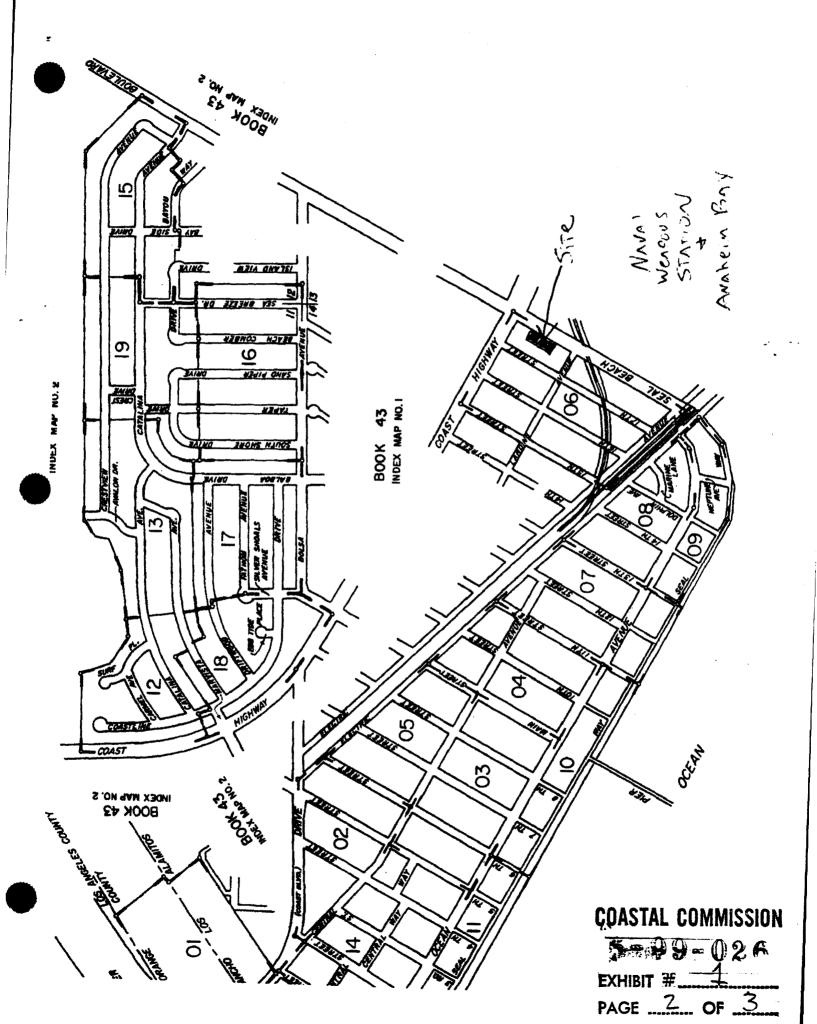


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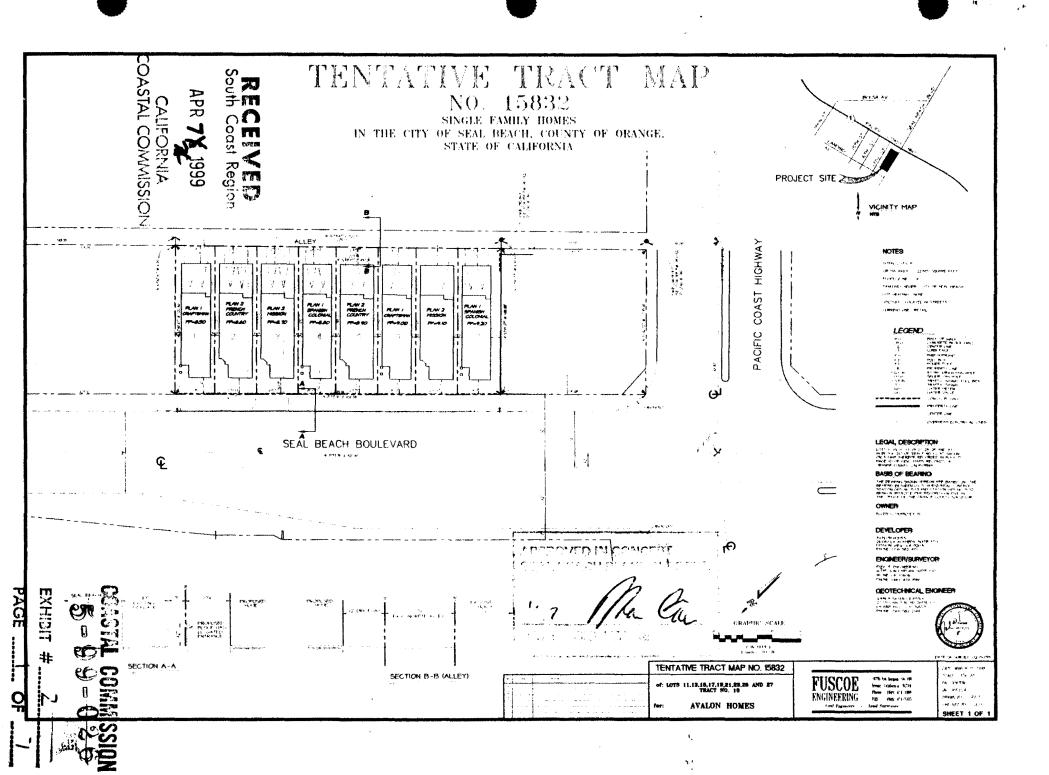
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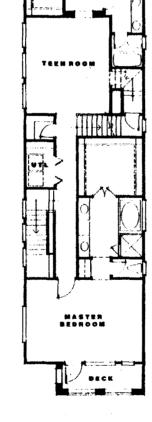
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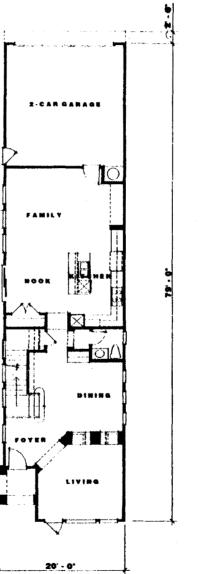
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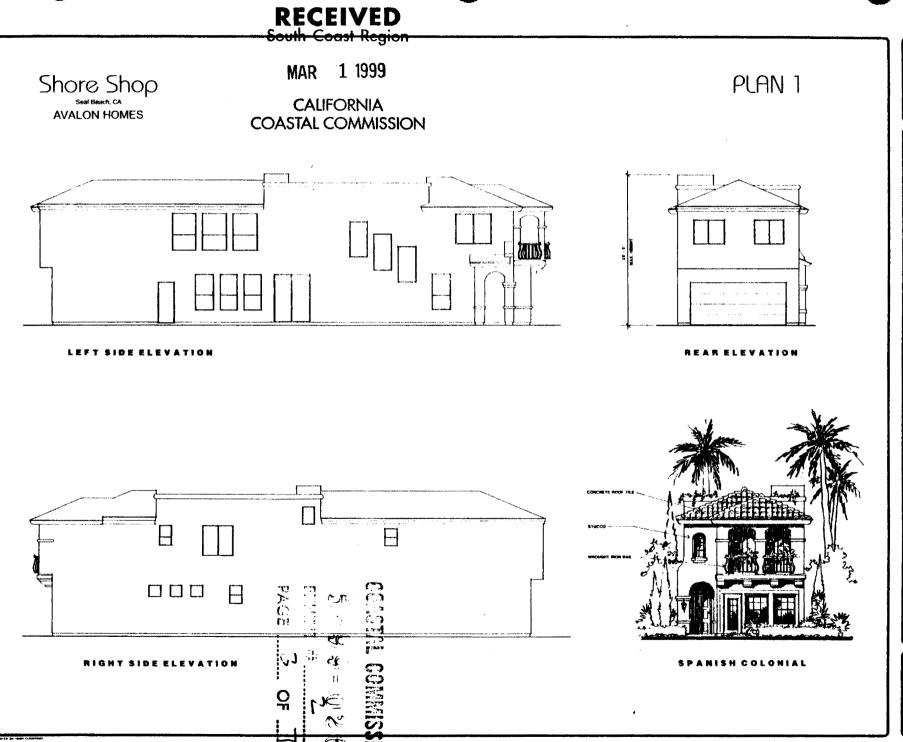
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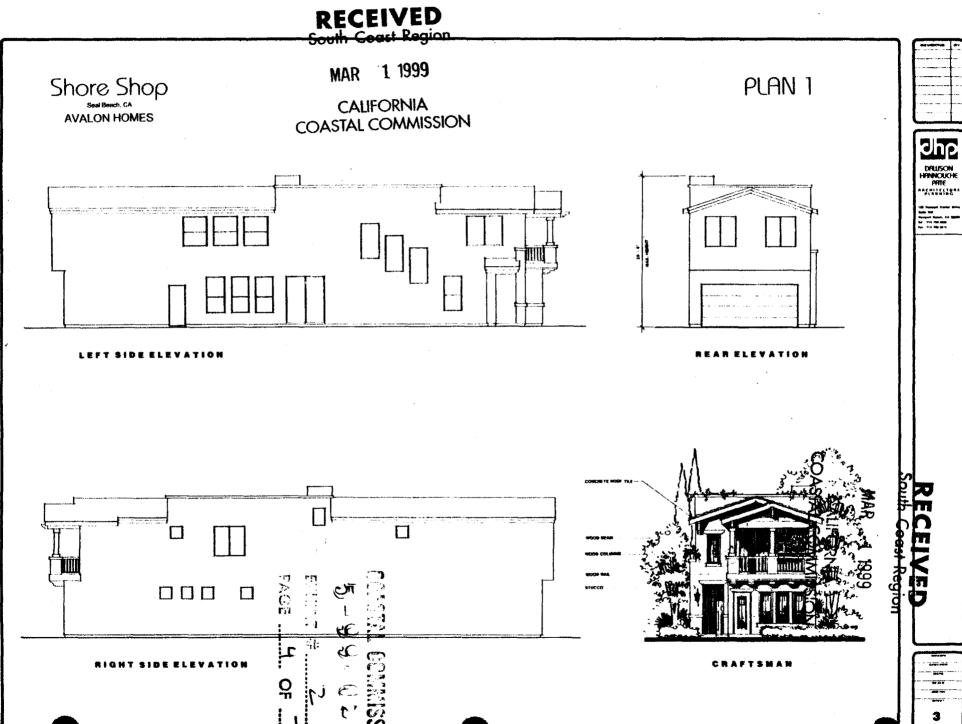
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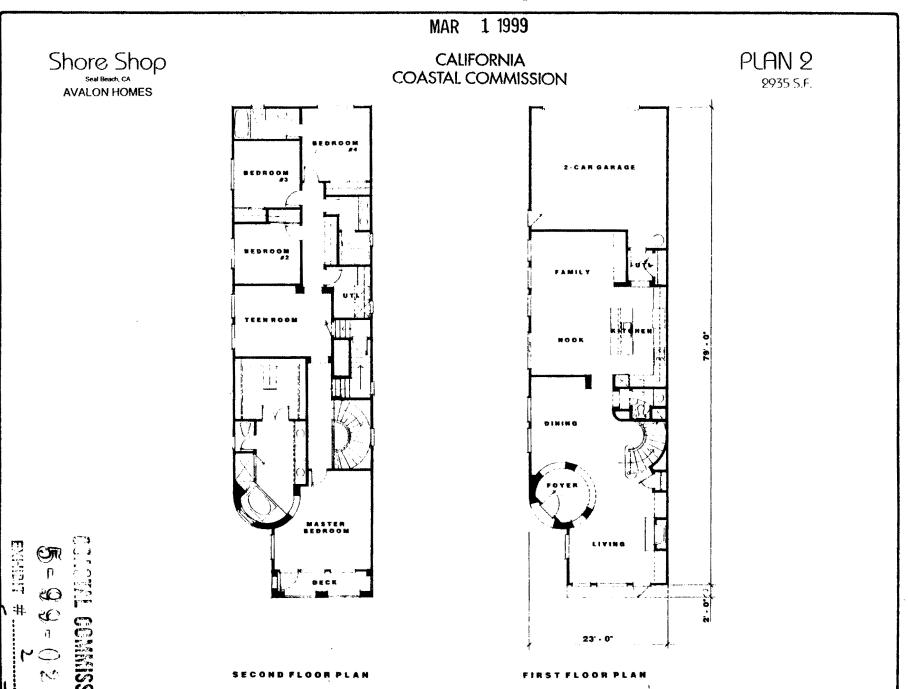
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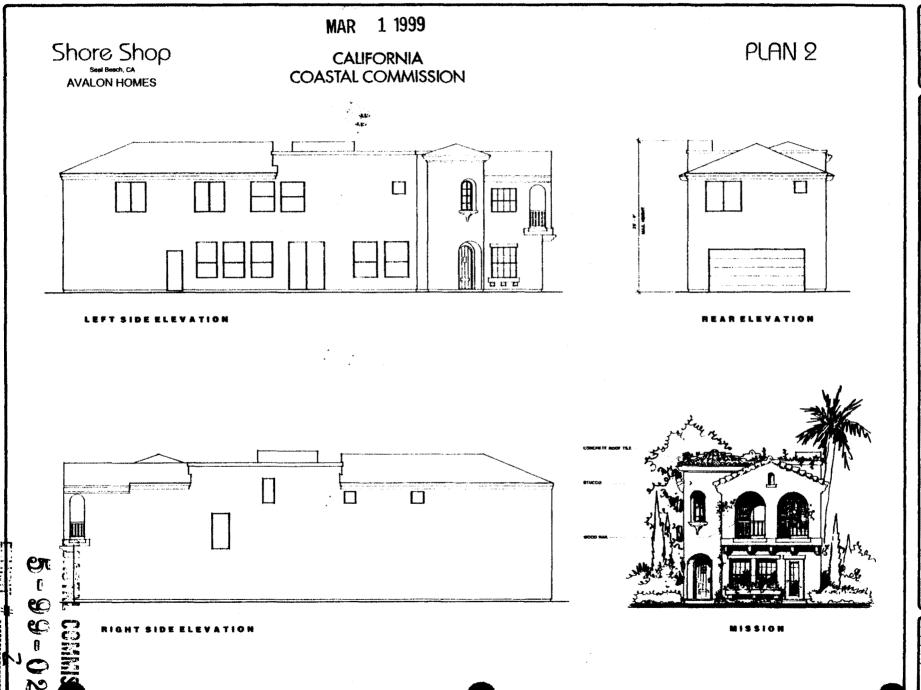
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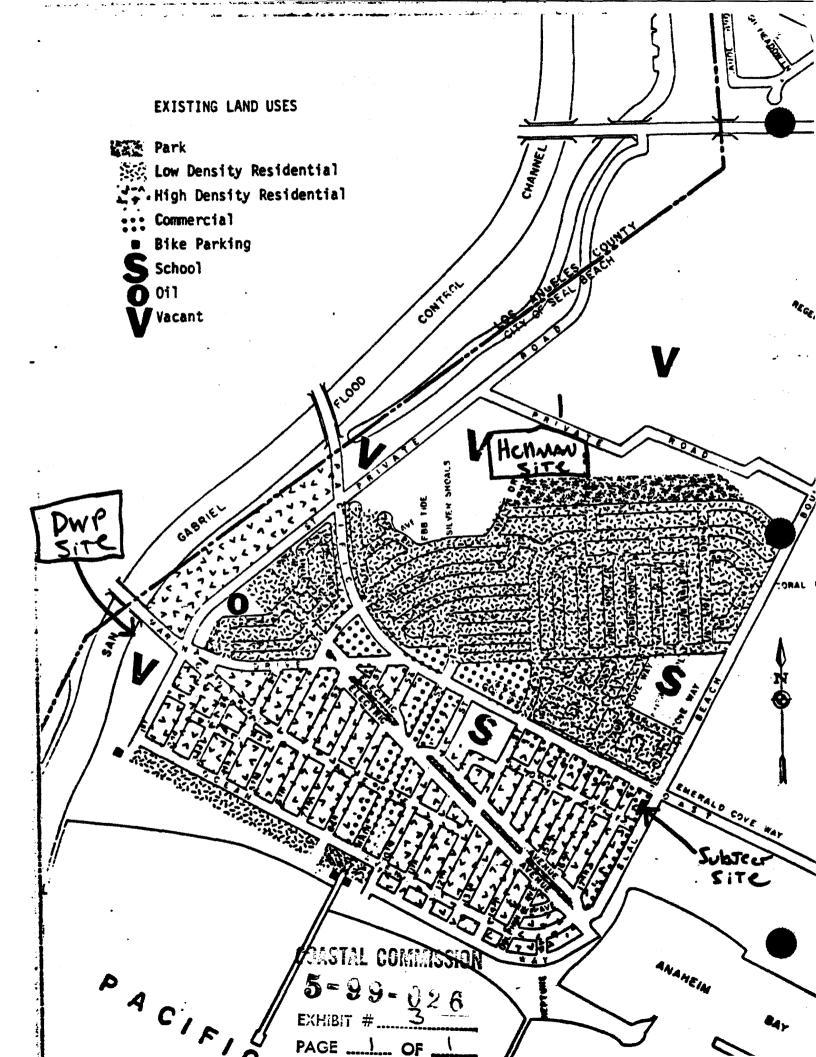


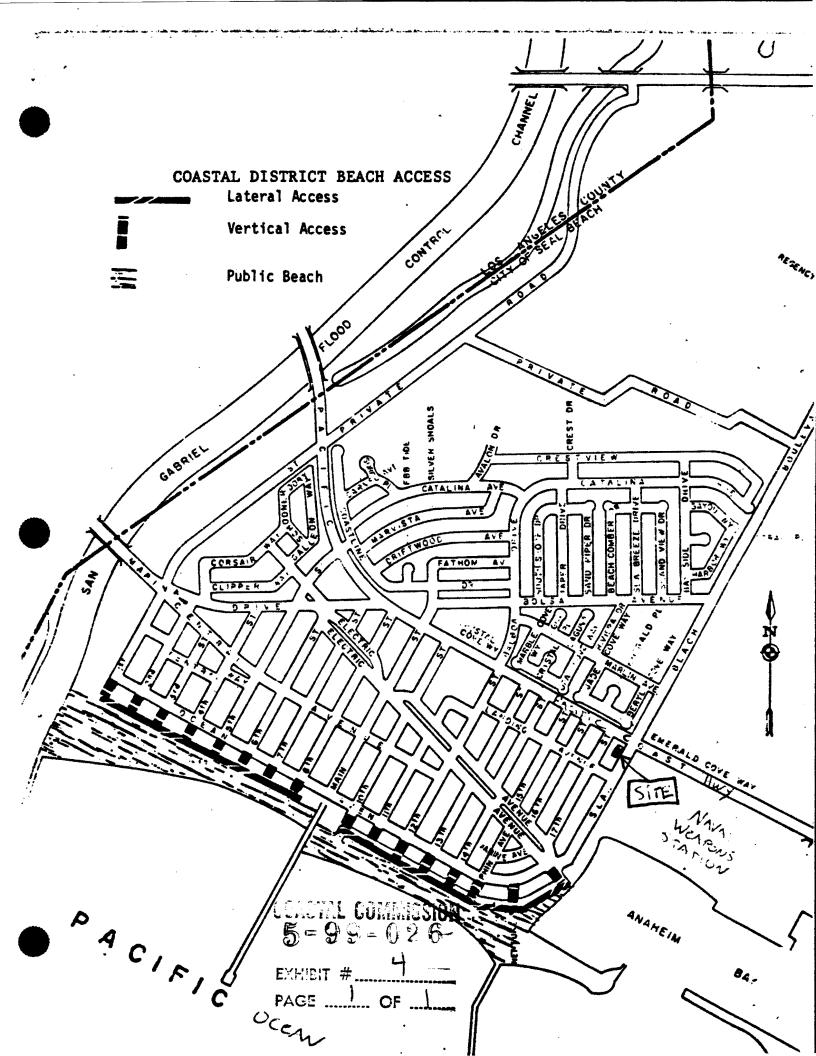
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South Coast Region MAR 1 1999 Shore Shop PLAN 2 **CALIFORNIA AVALON HOMES COASTAL COMMISSION** LEFT. SIDE ELEVATION FRENCH COUNTRY

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MEMORANDUM

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TO:

Dave Bartlett

D. Bartlett Associates

JAN 1 9 1999

FROM:

Gene P. Krekorian, Jung S. Kim

Economics Research Associates

CALIFORNIA COASTAL COMMISSION

DATE:

November 2, 1998

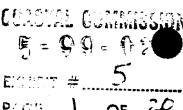
Visitor-Serving Commercial Development Analysis Seal Beach Coastal District SUBJECT:

ERA Project No. 12853

D. Bartlett Associates retained Economics Research Associates (ERA) to examine certain issues pertaining to the proposed development of nine single-family homes in the City of Seal Beach located at 321 Seal Beach Boulevard. The 23,287 square foot subject property is located in the Coastal District as designated by the State of California and the California Coastal Act of 1976.

The property owner has requested the rezoning of the subject site from General Commercial to Residential Medium Density use. ERA has evaluated the potential effects on the area's ability to serve the commercial facility needs of its visitors that would result from changing the zoning from retail uses to a residential use. The following memorandum report summarizes the findings of this analysis. During the course of this study, the following work tasks were performed:

- Review of existing and potential areas of visitor-serving and resident-serving commercial development and related uses.
- Physical inspection of the subject site and adjacent areas.



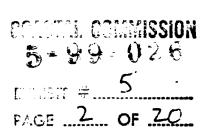
- Survey of existing visitor-serving commercial areas in Seal Beach, sites identified for future visitor-serving development, and selected visitor-serving facilities adjoining Seal Beach and relating to the subject site.
- Analysis of retail sales data compiled by the State Board of Equalization for Seal Beach.

A summary of ERA's findings is presented below followed by supporting data and analysis.

SUMMARY OF FINDINGS

Based on assessment of the subject site and an analysis of Seal Beach supply and demand conditions, the following offers a brief summary of principal findings.

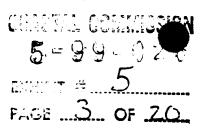
- From a market perspective, the subject site is poor as a commercial location. Seal Beach Boulevard, west of Pacific Coast Highway (PCH), functions as a residential collector rather than a commercial corridor. The site has extremely low traffic counts that are only one-fifth standard levels, and is well outside and substantially removed from the established visitor-serving and resident-serving commercial areas. Visibility of the site is satisfactory from Seal Beach Boulevard, but nearly completely obstructed from PCH.
- The subject site is poorly suited for visitor serving commercial uses as there is no anchor tenant nearby, no concentration of retail uses, and minimal pedestrian traffic. The site also does not satisfy the basic criteria for neighborhood or convenience related commercial uses. Population densities are particularly low at only about 3,200 residents per square mile compared with desired levels of 4,000 to 6,000 per square mile. Low densities result from the site's location near the coast and adjoining the U.S. Naval Weapons Station.
- Development of the site with residential uses is consistent with the adjoining area which consists of mostly residential uses.
- There are two major concentrations of commercial businesses in Seal Beach: 1) the Main Street corridor; and 2) the PCH corridor. The Main Street corridor primarily serves the visitor market with visitor serving uses located on the first three blocks



beginning at Ocean Avenue. The business establishments become increasingly resident serving the farther they are from Ocean Avenue and the beach. PCH is the main arterial through the coastal district. The PCH commercial corridor serves both visitors and residents, but the retail activity is concentrated around Main Street.

- Seal Beach and the Coastal Area, with over 700,000 square feet of commercial gross
 leasable building area, much of which is visitor-serving retail, is not presently
 underserved with respect to visitor-related facilities. Existing visitor-serving retail
 establishments in Seal Beach perform approximately 30% below the County average in
 terms of sales per outlet, an indication that the stock is more than adequate to satisfy the
 area's present and near-term future requirements.
- Three vacant properties have been designated for future hotel, restaurant, retail, and related visitor-serving uses. The Department of Water and Power (DWP) land (30 percent of the 9-acre site) and the State Lands Parcel (3 acres), and the Hellman Property when developed will increase the supply of visitor-serving facilities in the area. These sites are better suited for visitor-serving uses than the subject property in terms of their locational attributes.
- Due to the availability of well-located vacant sites with commercial zoning which are designated and suitable for visitor-serving uses, conversion of the subject site (9,000 square feet of leasable floor area) from commercial to non-commercial use would not diminish the ability of the City of Seal Beach to provide an adequate level of visitor-serving commercial uses in the City's coastal zone. For example, the vacant DWP and State lands, at minimum floor area ratios of .25, potentially can provide 40,000 square feet of premium located visitor-serving commercial compared with the elimination of 9,000 square feet on the subject property. At present, the existing level of visitor-serving uses in the City's coastal zone, well exceeds supportable levels as evidenced by the sales performance of existing outlets and above normal vacancy factor, even without this potential 13 percent increase in the inventory of commercial space.

Considering all of the above-mentioned factors and specifically noting that the site does not satisfy basic retail site selection criteria, the site is removed from the major concentration of visitor-oriented businesses which are in close proximity to the beach, and that there are properties better suited for future development with visitor-serving uses, we conclude that the



use change from General Commercial to Residential Medium Density will not negatively impact the Coastal District's ability to provide for its visitors.

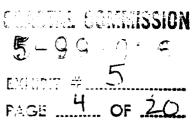
OVERVIEW OF SEAL BEACH

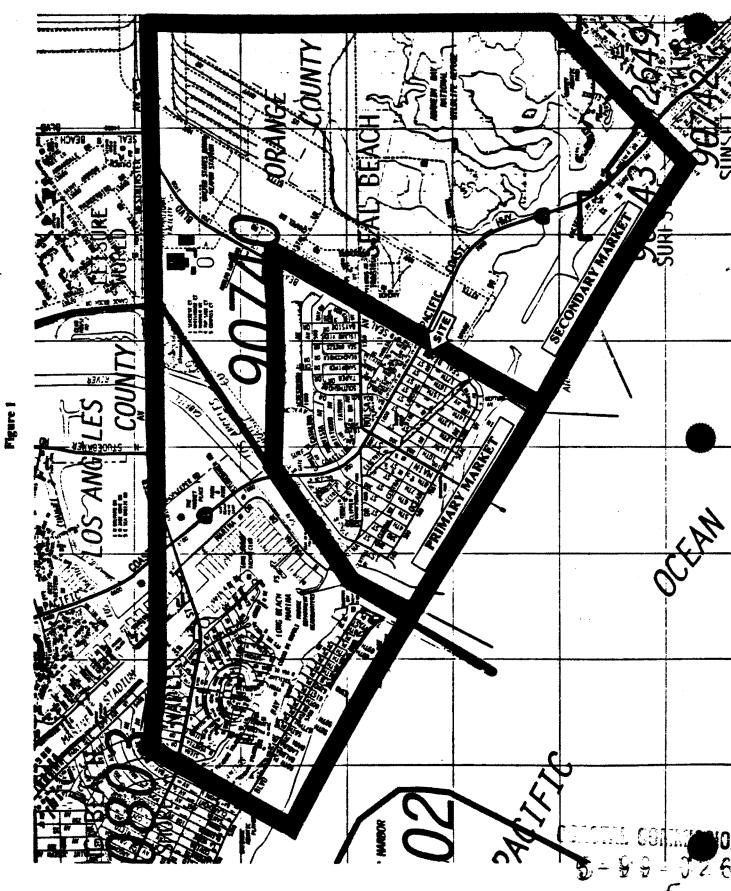
The City of Seal Beach is a small coastal community located in the northwest corner of Orange County. It is adjacent to Long Beach on the north and Huntington Beach and Sunset Beach to the south. Seal Beach contains approximately 12 square miles, 8 miles of which are within the Seal Beach Naval Weapons Station. The City includes 1.5 linear miles of beach frontage. About half of the City is located within the coastal zone.

The 1998 population of Seal Beach as reported by the California Department of Finance Demographic Research Unit is 26,750. As shown in the following table, the population of Seal Beach has increased 6.6% since 1990, although this growth rate is about half that of Orange County (13%) and the State of California (11%).

ERA reviewed the primary market area immediately surrounding the site as well as a somewhat broader trade area which constitutes a reasonable secondary market area (Figure 1). The primary market area surrounding the subject site has a population of 8,678 which is a 7.6% increase since 1990. The population of the secondary market area has actually declined, however, by 1.5% in the same time period. As a whole, the total market area has only increased 2.8% since 1990.

Population 1990 and 1998					
1990	1998	% Change			
8,063	8,676	7.6%			
8,825	8,693	-1.5%			
16,888	17,369	2.8%			
25,098	26,750	6.6%			
2,410,668	2,722,300	12.9%			
9,758,213	33,252,000	11.7%			
	8,063 8,825 16,888	8,063 8,676 8,825 8,693 16,888 17,369 25,098 26,750 2,410,668 2,722,300			





EMISS # 5 PAGE 5 OF 20 The City of Seal Beach coastal area can be divided into seven general areas. These areas are not official planning district designations, but are useful in studying land uses in the Seal Beach coastal area. The subject property lies within Area 1, the Coastal District which is bounded by the San Gabriel River, Pacific Coast Highway, Seal Beach Boulevard and the Pacific Ocean, as shown in Figure 2. Within the Coastal District the land use distribution is 75 percent residential, 15 percent commercial and 10 percent public. The seven areas within the coastal area are described as follows:

- Area 1: Coastal District bounded by the San Gabriel River, Pacific Coast Highway, Seal Beach Boulevard and the Pacific Ocean.
- Area 2: Marina Hill is bounded by Pacific Coast Highway, Haynes Road, the Hellman property and Seal Beach Boulevard.
- Area 3: Hellman/Rockwell Property is a 336-acre site bounded by Westminster Avenue, Seal Beach Boulevard, the San Gabriel River and the Marina Hill District.
- Area 4: Seal Beach Naval Weapons Station includes approximately 3,280 acres within the Coastal Zone boundaries.
- Area 5: Surfside Colony is a private community incorporated within the city confines and bounded by Pacific Coast Highway, Anderson Street, the Pacific Ocean and the Seal U.S. Beach Naval Weapons Station.
- Area 6: DWP Property is located between the San Gabriel River Channel to the west, First Street to the east, Marina Drive to the north and the public beach to the south.
- Area 7: State Lands Site is a 3-acre state-owned parcel located at First Street and Pacific Coast Highway.

Two of the districts, Area 6, which is the DWP property, and Area 7, the State Lands site, have been identified for future visitor-serving uses.

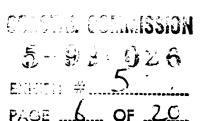
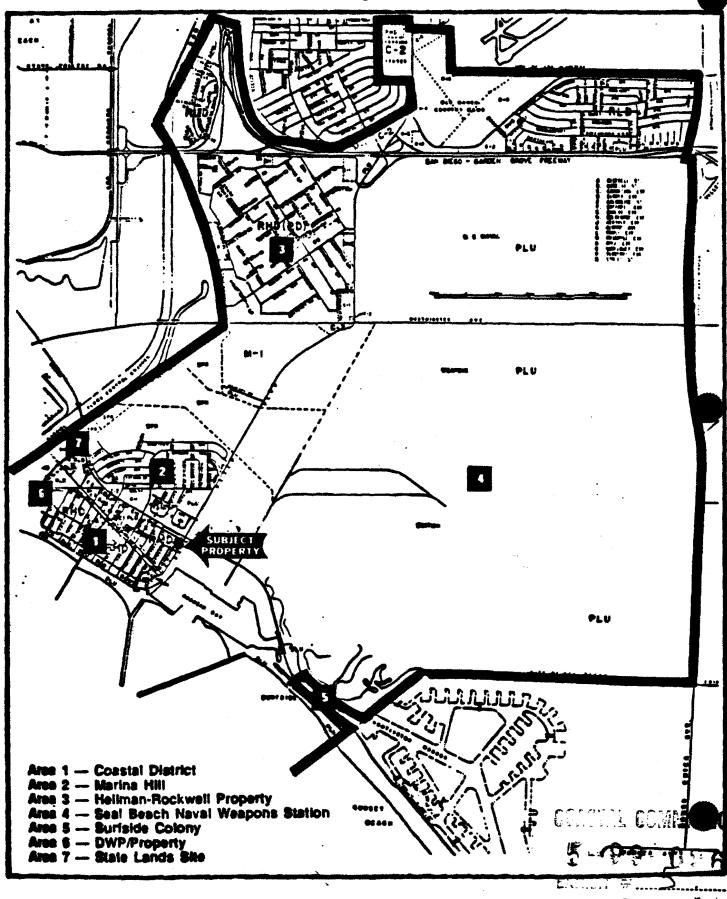


Figure 2



SUBJECT SITE AND SURROUNDING AREA OVERVIEW

The subject property site area totals 23,287 feet. The property is comprised of nine underlying 25 foot by 107.5 foot lots. The site is bounded by Seal Beach Boulevard to the east, residential land uses to the south and west, and a commercial use to the north. The Naval Weapons station is located on the opposite side of Seal Beach Boulevard. Pacific Coast Highway is just north of the site, separated by a convenience store and fishing supply outlet, located at the southwest corner of Pacific Coast Highway and Seal Beach Boulevard which is a signalized intersection. There are small and fragmented business uses along Seal Beach Boulevard south of PCH, but the area directly behind Seal Beach Boulevard from 17th street to 1st street with the exception of the Main Street corridor, is primarily residential.

Improvements on the subject site currently consist of an unanchored retail totaling about 9,000 square feet of gross leasable area, with three operating stores and one vacant store space. The main tenant of the center is the Shore Shop (approximately 6,000 square feet) which sells men's, women's and children's casual apparel and shoes. Other tenants include a deli and a unisex hair salon. The vacant store is scheduled to be temporarily occupied by an arts and crafts boutique.

Traffic Counts

Traffic counts on Seal Beach Boulevard where the subject site is located indicate an average daily traffic (ADT) count of 6,200. As the following table shows, traffic significantly decreases on Seal Beach Boulevard the further south on the street. Traffic counts north of the PCH are triple those south of PCH. In addition, the traffic counts on Seal Beach Boulevard north of Bolsa Avenue are significantly higher than south of that street since Bolsa Avenue serves as a connector to the PCH. Furthermore, traffic counts on PCH are six times that of Seal Beach Boulevard near the subject site. The ADT on Main Street, the major arterial to the beach is 9,400. Counts on primarily residential streets such as 1°, 5° and 12° Streets range from 2,000 to 5,700.

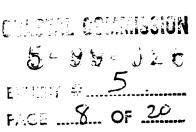


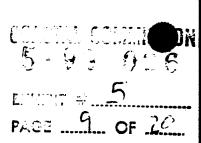
Table 2 Traffic Counts			
Route	Average Daily		
Route Pacific Coast Highway (PCH)	Traffic		
County Line to Seal Beach Blvd.	38,500		
South of Seal Beach Blvd.	38,000		
Seal Beach Blvd			
North of Westminster Ave.	39,500		
Westminster to Bolsa Ave.	26,000		
Bolsa Ave. to PCH	18,700		
South of PCH	6,200		
1street south of PCH	3,600		
5th Street south of PCH	2,100		
12th Street south of PCH	5,700		
Main Street south of PCH	9,400		

VISITATION PATTERNS AND ATTRACTIONS

Source: CALTRAN'S, City of Seal Beach

The City of Seal Beach possesses 1.5 linear miles of beach frontage extending from the San Gabriel River which is the western boundary of the to Anderson Street on the east. The San Gabriel River separates Seal Beach from Long Beach, and Orange County from Los Angeles County. Anderson Street separates Surfside Colony, a private-gated community, from Sunset Beach.

Beach and pier visitation fluctuate from year to year based primarily on weather conditions. Although precise attendance figures are not available, the annual number of beach and pier visitors is estimated to be from 1.4 million to 2 million a year, averaging 1.7 million according to the City of Seal Beach Lifeguard Department which estimates attendance annually. Beach attendance is, of course, highly seasonal, with approximately 75 percent of annual beach visitation occurring during the summer and early fall, generally from June through the first part of October, with traditional weather patterns. Families with young children



comprise the largest segment of beach visitors followed by teenagers. The majority of visitation to Seal Beach consists of daytrips to the area rather than overnight stays.

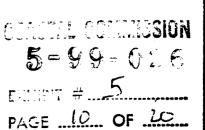
EXISTING RECREATION AND VISITOR-SERVING FACILITIES

Beach Facilities

Seal Beach is the main visitor attraction in the area. The north end of the beach attracts mainly families with young children and the southern portion of the beach attracts mainly teenagers. Seal Beach Pier is a municipal pier situated at the base of the Main Street shopping area. It offers sport and pier fishing facilities and a restaurant at the end of the pier. The Pier was reconstructed in the mid-80's, but no further development of the pier has occurred to date. The base of the pier where the restrooms and showers are located is expected to be reconstructed in the near future. Structural deterioration and the inadequacy of the restroom/shower facilities necessitate the work which may begin this winter. Adjacent to the pier is the 1.4-acre Eisenhower Park.

Visitor Accommodations

Presently, there are two lodging facilities within the boundaries of the City of Seal Beach, the 71-unit Radisson Inn and 23-room Seal Beach Inn and Gardens. Two other hotels are located on Pacific Coast Highway in Long Beach about 2 to 3 miles from the subject site. These are the SeaPort Marina Hotel (PCH and Second Street) and the Best Western Golden Sails Hotel (PCH and Loynes) which contain 203 and 173 rooms, respectively. Average annual occupancy at the Radisson is approximately 85.6%. The majority of its customers during the week are corporate visitors and weekend customers are leisure visitors. July, August, and the first half of September is the peak leisure season which has been steady for the past several years. The SeaPort Marina Hotel is more dependent on leisure visitation and has an average annual occupancy reported at 63%.

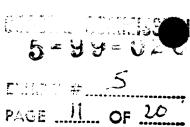


Retail/Restaurant Inventory

Main Street is the primary area serving the retail and restaurant needs of Seal Beach visitors. The three blocks of Main Street offer a wide variety of establishments serving visitors and residents. Visitor uses appear most prominently in the two blocks of Main Street closest to the beach but also appear on the third block. Table 3 categorizes the types of Main Street business establishments based on a visual inventory ERA conducted. There are over 100 retail and service outlets along the entire three-block stretch of Main Street, with an estimated 80,000 square feet of gross leasable area.

Table 3 MAIN STREET SEAL BEACH			
Tenant Type	Number		
Apparel/Shoes	15		
Eating and Drinking Places	23		
Services			
Hair/Nail Salon/Beauty Supplies/Skin Care	16		
Cleaners	1		
US Post Office	1		
Travel	3		
Realty	1		
Health Club	1		
Insurance	3		
Legal	4		
Other	9		
Gift/Specialty	19		
Art Galleries/Antiques	5		
Stationary/Books	3		
Jewelry	3		
Financial Institutions	1		
Market/Liquor Store	3		
Hardware/Garden Supply	2		
Pharmacy	1		
Frame Store/Gallery	4		
Source: Economics Research Associates			

In addition to the retail development along Main Street, retail shopping centers have been developed in the Seal Beach Coastal Area which provide food service establishments and



retail outlets for residents of the community and visitors. The centers are all located on Pacific Coast Highway, near the Main Street intersection. These are highlighted below.

Bay City

Bay City Center is located on the south portion of Pacific Coast Highway between 5th Street and Marina Avenue. It contains 51,200 square feet of gross leasable area. and is fully occupied. Five full-service restaurants are located within the center as well as three other food outlets. Other tenants include various retail and service outlets.

Seal Beach Center

This 82,000 square foot center anchored by a Pavilions Place Supermarket and is located at the northeast corner of Pacific Coast Highway and Main Street. The center was built in 1964 and is currently 98% leased. Other tenants include a Sav-On Drugstore, a full-service restaurant and two other food outlets, and various retailers and service outlets. In order to keep the center full, rents have been kept 10% to 15% below market level.

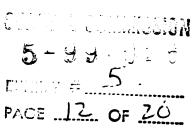
Zoeter Place

Zoeter Place is located at Pacific Coast Highway and 12th Street. The center opened in early 1990 and it contains 22,832 square feet of gross leasable area. Tenants include two restaurants, one with an outdoor patio and café, a Wherehouse Entertainment store and various service outlets. The center is fully leased at this time.

ERA surveyed several retail centers which were beyond the city limits of Seal Beach but are within the market area of the subject site in the Pacific Coast Highway corridor.

Seaport Village

Seaport Village is a small specialty center which is located just over a mile from the



subject site on land leased from the City of Long Beach. It contains approximately 40,000 square feet. It includes three large restaurants totaling about 31,000 square feet, and retail and office space account for 9,000 square feet. Seaport Village has a vacancy factor of about 6 percent.

The Market Place

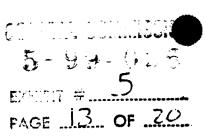
The Market Place is located at Pacific Coast Highway and Westminster Avenue. It is a community center containing 152,600 square feet of retail space. It is anchored by a Trader Joe's food market and United Artists Theater and includes five restaurants. The Market Place currently is 92% percent occupied.

Marina Pacifica Mall

Located at Pacific Coast Highway and Westminster Avenue, the Marina Pacifica Mall contains approximately 300,000 square feet of gross leasable area. Currently 97.5% of the space is occupied. The complex underwent a major redevelopment two and a half years ago which redirected the storefronts from facing the bay to PCH. Before the redevelopment, occupancies were as low as 30%. The center's current tenants include a 12-screen AMC theater, Ralphs, Barnes and Noble Superstore, Tower Records Superstore, and Good Guys Superstore Electronics Superstore, Strouds Linen Warehouse, Pier 1 Imports, and several restaurants.

Sunset Beach

Sunset Beach is an unincorporated area located along Pacific Coast Highway generally between Anderson Street on the north and 2nd Avenue on the south. Along Pacific Coast Highway, the area is characterized by a large concentration of older visitor-oriented businesses, including approximately 15 restaurants and about 10 motels. The motels reportedly fill during the summer months, but appear to have significant vacancies the balance of the year. Much of the area's retail stock has turned over in recent years and/or is in need of refurbishing.



Peter's Landing

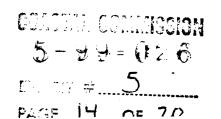
Located on Pacific Coast Highway in Huntington Harbour, this center contains a total of 55,000 square feet of retail shops and one restaurant, and 28,000 square feet of office space. Almost 100% of the office space is leased but only 60% of the retail space is leased.

The surveyed centers contain a total of 703,632 square feet of gross leasable area (Table 4) and 45,748 square feet of space available overall. This equates to a vacancy factor of 6.5% percent.

Table 4 Surveyed Retail Center Summary				
	GLA	Occupancy		
Seal Beach				
Bay City Center	51,200	100%		
Seal Beach Center	82,000	98%		
Zoeter Place	22,832	100%		
Market Area				
Seaport Village, Long Beach	40,000	94%		
Market Place, Long Beach	152,600	92%		
Marina Pacifica Mall, Long Beach	300,000	98%		
Peter's Landing, Huntington Harbour	55,000	60%		
Total	703,632	93%		

There are other retail centers in Seal Beach which are beyond the market area of the subject property. These include the Leisure World Shopping Center (GLA 81,000 S.F.) on Seal Beach Boulevard north of Westminster Avenue, neighborhood centers at Seal Beach Boulevard and Westminster Avenue, and The Rossmoor Center (GLA 376,000 SF) on Seal Beach Boulevard north of the 405 Freeway. These centers primarily serve the residents of the surrounding area.

ERA also identified a proposed retail center in Seal Beach to be located on Seal Beach Boulevard near the 405 Freeway (Bixby Property) which is beyond the market area of the



subject property. The project is expected to include 313,000 square feet for gross leasable retail area as well as a hotel and restaurant. There are no other new retail developments in Seal Beach, except for the proposed developments discussed below.

AREAS DESIGNATED FOR POTENTIAL VISITOR-RELATED COMMERCIAL AND RECREATIONAL DEVELOPMENT

Two presently vacant areas within the City of Seal Beach have been identified for possible future visitor-serving uses.

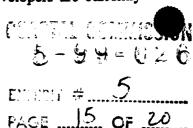
Department of Water and Power Property

The specific plan for the 9-acre DWP site stipulates visitor-serving uses on 30 percent of the site. Permitted uses are hotel (up to 150 rooms), meeting/conference room, banquet room, restaurant and retail uses primarily oriented to hotel guests but also serving the general public. The remainder of the site is proposed as public open space.

The area has not been developed to date, primarily because DWP was unwilling to sell the land to prospective hotel developers who in turn were unwilling to lease the land. However, the land is now part of a DWP plan to sell excess sites. According to the City of Seal Beach, there-have been several inquiries in the last six months into the development of that site, although there are no specific plans for the development of the site at this time. According to the DWP, they are currently in the process of retaining a broker who will facilitate the process of selling all of their excess sites. This involves prioritizing, marketing, and gaining necessary approvals. Actual sales will most likely not occur for several months. The DWP property in Seal Beach has, however, generated the most inquiries from interested developers compared to all other excess sites. Development interests have included residential uses, gated master-planned age-restricted communities, and hotels.

State Lands Parcel/Hellman Property

The State Lands parcel is 3-acre property is located at First Street and Pacific Coast Highway which is one of the major entrances to Seal Beach. The developers are currently



preparing an EIR and a conditional use permit application for this site in conjunction with the development of the Hellman Property. Plans for the Hellman Property include 70 residential units and an 18-hole golf course open to visitors. The proposal for the State Lands parcel is for wetlands restoration, an interpretive center consisting of a public viewing platform, relocation of a historic building to the site, and development of a 10,000 square foot commercial building. It is unknown at this time the specific tenants and uses which may occupy the building, but retail and restaurant uses are likely.

ANALYSIS OF RETAIL SALES

ERA examined State Board of Equalization data for taxable retail sales in order to measure the sales performance of Seal Beach establishments. Table 5 shows retail sales and permits in Seal Beach and Orange County. As shown, preliminary 1997 estimates provided by the State Board of Equalization show a small decline in retail sales in Seal Beach.

	•			
Seal	Beach	Orange County		
	Taxable		Taxable	
Permits	Transactions	Permits	Transactions	
59 5	\$111,749	87,598	\$27,767,317	
557	\$113,874	86,577	\$26,474,932	
589	\$115,877	89,352	\$26,524,266	
599	\$113,485	90,836	\$26,837,111	
. 597	\$133,501	91,510	\$28,276,259	
615	\$121,956	93,173	\$29,946,531	
616	\$136,300	92,805	\$32,533,206	
599	\$126,953	92,766	\$34,924,951	
	SEAL BEA Seal Permits 595 557 589 599 597 615 616	RETAIL SALES, ALL OUSEAL BEACH AND ORANG Seal Beach	RETAIL SALES, ALL OUTLETS SEAL BEACH AND ORANGE COUNTY Seal Beach Orange Taxable Permits Transactions Permits 595 \$111,749 87,598 557 \$113,874 86,577 589 \$115,877 89,352 599 \$113,485 90,836 597 \$133,501 91,510 615 \$121,956 93,173 616 \$136,300 92,805	

A comparison of retail sales per outlet is provided for Seal Beach and Orange County in Table 6. Data was compiled for a one year period including the fourth quarter of 1996 through the third quarter of 1997 which represents the most current data available. Due to the

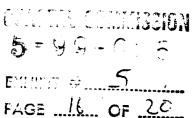
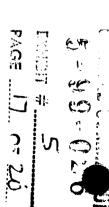


Table 6
RETAIL SALES
SEAL BEACH AND ORANGE COUNTY

	Seal Beach		Orange County		Average Sales per Outlet		Index
•		Taxable		Taxable			Seal Beach vs.
	Permits	Transactions	Permits	Transactions	Seal Beach	Orange County	Orange County
Retail Stores	•						•
Apparel stores	20	\$5,055	2,225	\$1,330,706	\$253	\$598	0.42
General merchandise stores	13	9,509	967	3,329,485	731	3,443	0.21
Food Stores	15	12,582	1,616	1,315,695	839	814	1.03
Eating and drinking places	67	33,351	6,254	2,739,478	498	438	1.14
Home furnishings and appliances	- 17	1,114	2,003	1,076,650	66	538	0.12
Building material and farm implement	. 5	2,103	645	1,365,604	421	2,117	0.20
Auto dealers and auto supplies	3	•	1,641	3,382,950	-	2,062	-
Service stations	12	27,881	725	1,650,349	2,323	2,276	1.02
Other retail stores	94	16,198	12,854	4,317,193	172	336	0.51
Total	246	\$107,793	28,930	\$20,508,110	\$438	\$709	0.62
All Other Outlets	353	28,908	63,836	13,676,255	82	214	0.38
Total All Outlets	59 9	136,701	92,766	34,184,365	228	369	9.62

Sales Omitted because their publication would result in the disclosure of confidential information. There are included in "Other retail stores" when possible.

Source: State Board of Equalization and Economics Research Associates



issue of confidentiality, it is not possible to obtain a detailed breakout of sales by specific category for Seal Beach. "Other retail stores" includes specialty stores which is one of the major visitor-serving categories. Specialty stores include gifts; art goods and novelties; sporting goods; florists; photographic equipment and supplies; musical instruments; stationery and books; jewelry; office, store and school supplies.

In the visitor-serving categories of apparel stores and other retail stores which includes specialty stores, Seal Beach outlets do not perform as well as the county average as shown in the text table below. Seal Beach does perform somewhat better than the County average in the category of eating and drinking places.

	Average Sales per Outlet (000s)		
	Seal Beach	Orange County	
Apparel stores	\$ 253	\$598	
Eating and drinking places	498	438	
Other retail stores	172	336	
Total	\$923	\$1,372	

Table 7 provides a comparison of per capita taxable sales. When examined on a per capita basis, Seal Beach retail taxable sales are also below the County averages in the apparel and specialty stores categories and slightly higher in the eating and drinking places classification.

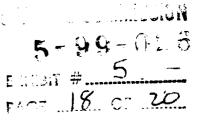


Table 7 PER CAPITA SALES SEAL BEACH AND ORANGE COUNTY

	Seal Beach	Orange County
Retail Stores		
Apparel stores	189	501
General merchandise stores	355	1,254
Food Stores	470	495
Eating and drinking places	1,247	1,032
Home furnishings and appliances	42	405
Building material and farm implements	79	514
Auto dealers and auto supplies	•	1,274
Service stations	1,042	621
Other retail stores	6 06	1,626
Total	4,030	7,722
All Other Outlets	1,081	5,150
Total All Outlets	5,110	12,872

^{*}Sales Omitted because their publication would result in the disclosure of confidential information. They are included in "Other retail stores."

Source: State Board of Equalization and Economics Research Associates



RECEIVED South Coast Region

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CALIFORNIA

Economics Research Associates (ERA) was founded in Los Angeles in 1958. Since 1981, the firm has been when a sociates (ERA) was founded in Los Angeles in 1958. California Corporation by its principal consultants. Headquarters are in Los Angeles, California, with offices in Chicago, San Francisco, San Diego, Dallas, London, and the Washington, D.C., area. There are 85 members of the staff; professional consultant tenure with the firm averages nine years. Since 1987 the firm has been affiliated with Drivers Jonas of Britain and Canada, who bring additional skills in the areas of property valuation and property management operations.

In domestic and international projects, ERA has completed more than 13,000 research and consulting assignments for both public and private clients. Fusing talents of a multidisciplined staff, the firm's experience has concentrated in five interrelated fields: (1) economic development and planning; (2) real estate and land use; (3) recreation, tourism, and leisure time; (4) transportation systems; and (5) management and marketing services.

In urban and regional economics, ERA has conducted major studies for public and private clients in many major metropolitan areas. These have included economic base studies, urban redevelopment feasibility assessments, longrange master plans, and analysis of interactions of urban transport with metropolitan development. The firm is frequently called upon to assess fiscal impacts of development policies and projects and to recommend revenue diversification programs. ERA often performs negotiating services and analyses for public clients seeking private ventures. The firm has been involved in all four rounds of contemporary military base reuse planning and community economic diversification since 1988.

Real estate and land use studies constitute a primary area of ERA project experience. ERA has studied the marketability, feasibility, and appropriate project densities for all types of real estate uses. A specialization of the firm involves adaptive use and commercial property revitalization. ERA also conducts project valuation analyses, portfolio reviews, and prepares independent review valuations during sales transactions. Specialties of the firm, in addition to the full range of urban real estate product types, include destination resorts and hotels, high-technology parks, and university-related land uses.

ERA's work in the field of recreation, tourism, and leisure time incorporates experience in formulating tourist development plans for major geographic regions and subregions, evaluation of specific public and commercial recreational facilities, and analysis of special mass attraction events. Long known for its work with major theme parks in the United States, and now internationally as well, ERA has also led in the definition of responsible revenue generation and cest coverage programs for public park systems. The firm is presently a leading authority on the development and programming of urban entertainment centers.

ERA's consultation in transportation planning and economics spans urban, intercity, and international transport problems, in both cargo and passenger transport. The firm's research involves infrastructure planning (airports, ports, highways, railways, and mass transit systems) as well as transport operations analysis; the emphasis is with economic activity forecasting and financial planning. Related assignments include transit agency property development potentials and private venture partnerships. The firm also defines market prospects for joint development and for revitalization of transit-oriented districts.

In management and marketing consultation, ERA has provided both public and private clients with guidance in program design, organization, public finance, governmental relations, management information systems, long-term planning, marketing, and acquisition programs. A growing number of projects involve city and agency marketing strategies.

ERA has established one of the finest research libraries in the country during its 40-year history. This library contains 150 active periodical subscriptions, more than 2,000 books, data series, and focused geographic files. All ERA offices are networked and electronically convey data and documents between offices as well as with clients.

The consulting staff profile of the firm emphasizes both breadth and specialization. During 1999, the staff includes: 1995 The consulting staff profile of the firm emphasizes both breadth and specialization. During 1999, the staff includes: 1995 The consulting staff profile of the firm emphasizes both breadth and specialization.

- 19 Economists
- 13 Real Estate Analysts
- 13 Financial Analysts

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ty of Seal Beach



SEAL BEACH, CALIFORNIA 90740-6379 [562] 431 2527

March 18, 1999

MAR 2 9 1999

CALIFORNIA COASTAL COMMISSION

Mr. Karl Schwing California Coastal Commission 200 Oceangate . 10th Floor Long Beach, CA 90802 -4302

Coastal Development Permit 5-99-026 SUBJECT:

321 Seal Beach Boulevard (Shore Shop Property)

Dear Mr. Schwing:

It was brought to my attention by Dave Bartlett that you would like a copy of the mid-1980's Seal Beach Boulevard Revitalization Plan. I have made a copy of that report and have attached it to this letter for your review.

The purpose of that plan was to revitalize the commercial nature of the street by allowing uses that would be compatible with the adjacent single-family residential neighborhood and the predominant residential uses that exist on Seal Beach Boulevard. That plan has failed. Since the approval of that plan, no private sector improvements have been implemented and the street has continued to deteriorate and lose businesses to other, more vibrant commercial centers. For example, the Bay Motel at the southern end of Seal Beach Boulevard closed in the mid-1980's and was replaced by residential uses; the Animal Hospital between Landing Avenue and Electric Avenue has relocated and the building has been vacant for approximately two years; and as you are aware, the Shore Shop has recently closed their business and is looking for another location.

The lack of commercial success in our judgement is based on:

- The lack of traffic on Seal Beach Boulevard
- The surrounding single-family residential neighborhood
- The predominant existing residential uses and residential character of the street
- The adjacent 5,000 acre Naval Weapons Station, which limits the effective commercial trade area

For these reasons, including the surrounding residents desires for the Musso property to Converted to residential, our City Council unanimously approved a Zone Change and

Constitut Commission 5-99-026 EMENT # 6 PAGE ___ OF 2_

C:\My Documents\Coastal Commission\Shore Shop Latter.doc\LW\03-12-99

Coastal Development Permit 5-99-026 321 Seal Beach Boulevard City of Seal Beach Transmittal Letter re: Seal Beach Blvd Improvement Plans March 18, 1999

General Plan Amendment to allow residential uses to occur on the Musso Property. The Musso parcel is the only property on that particular block of Seal Beach Boulevard that is not currently developed with residential uses.

The City's existing core coastal visitor-serving nodes are the Pier, the local beaches, Main Street and the Pacific Coast Highway corridor. Planned visitor-serving areas include the Hellman Ranch, at Pacific Coast Highway and First Street and the DWP site at Ocean Avenue and First Street. It is well documented in the Economics Research Associates report that this loss of commercial acreage will not affect residents and visitors from using and enjoying visitor-serving facilities with the City's coastal zone.

Please contact me if you have any questions. I can be reached at (562) 431-2527, extension 313.

Sincerely,

Lee Whittenberg

Director of Development Services

Attachment: "Urban Design Master Plan - Seal Beach Boulevard", adopted by City of

Seal Beach City Council on September 9, 1986

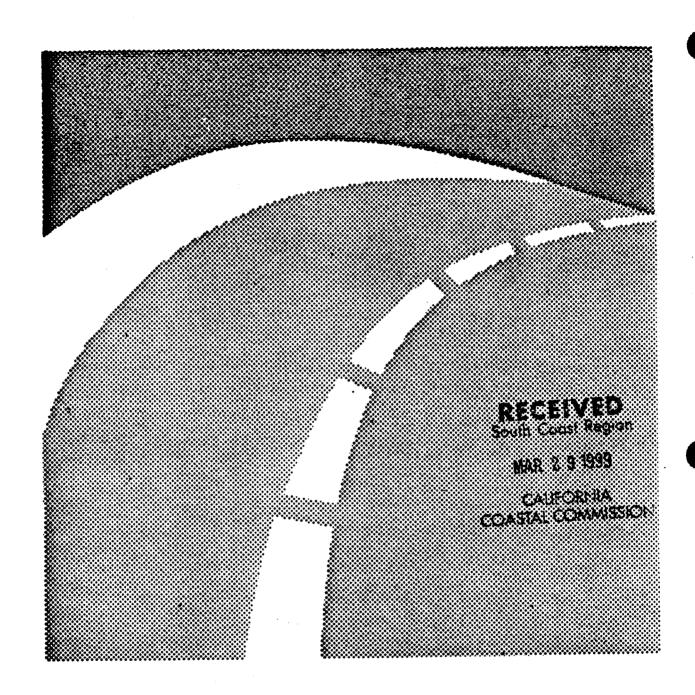
Cc: City Manager (w/o attachment)

Dave Bartlett (w/o attachment)

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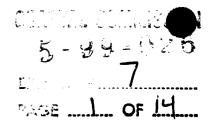
Shore Shop Letter

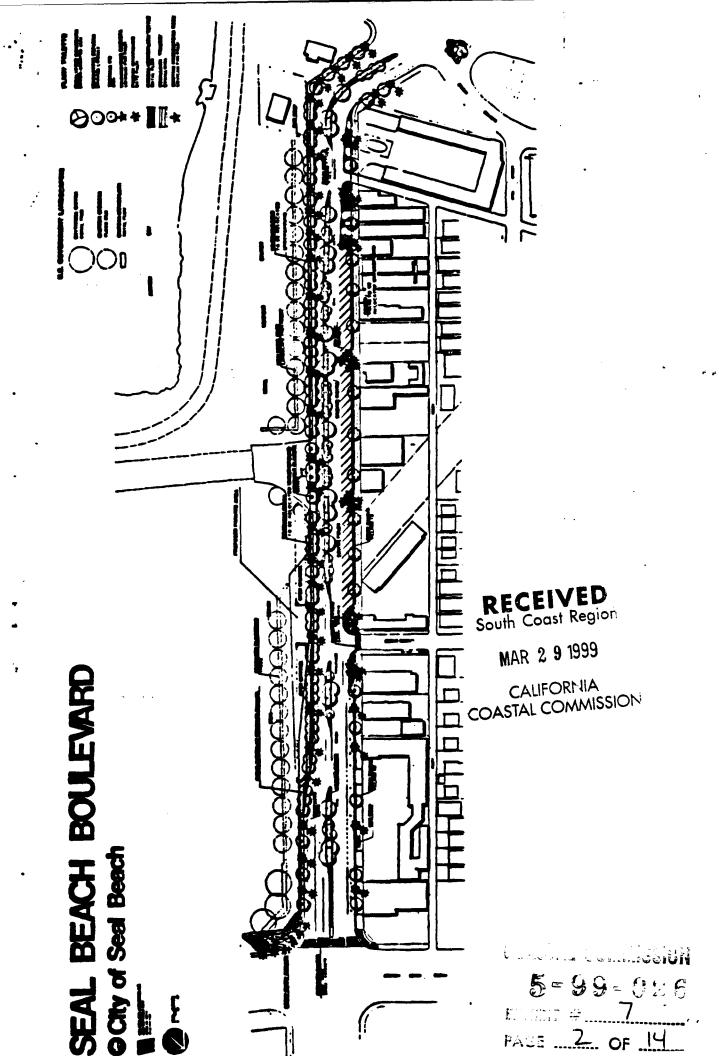


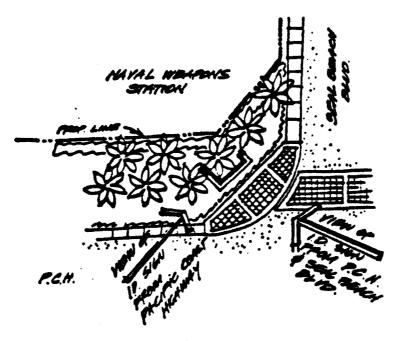
URBAN DESIGN MASTER PLAN

SEAL BEACH BOULEVARD

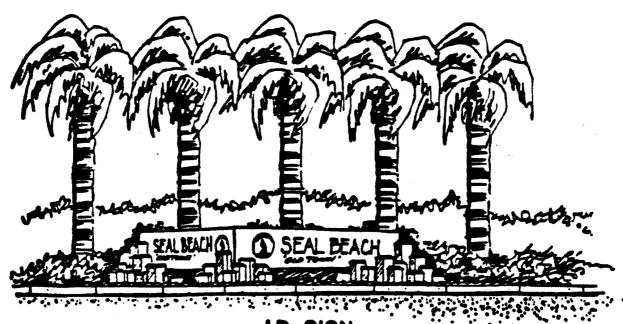
City of Seal Beach









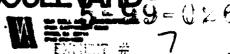


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ENTRY STATEMENT

SEAL BEACH BOULEVARD

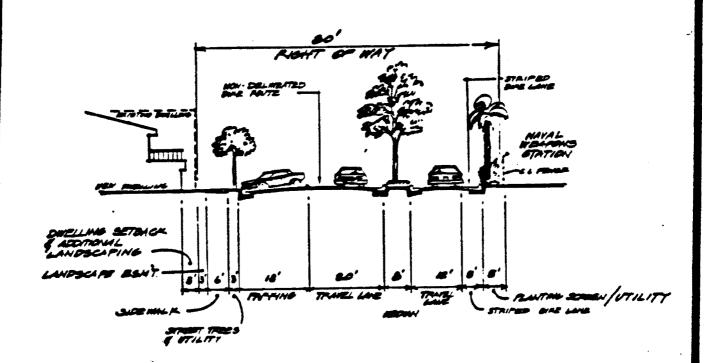
City of Seal Beach



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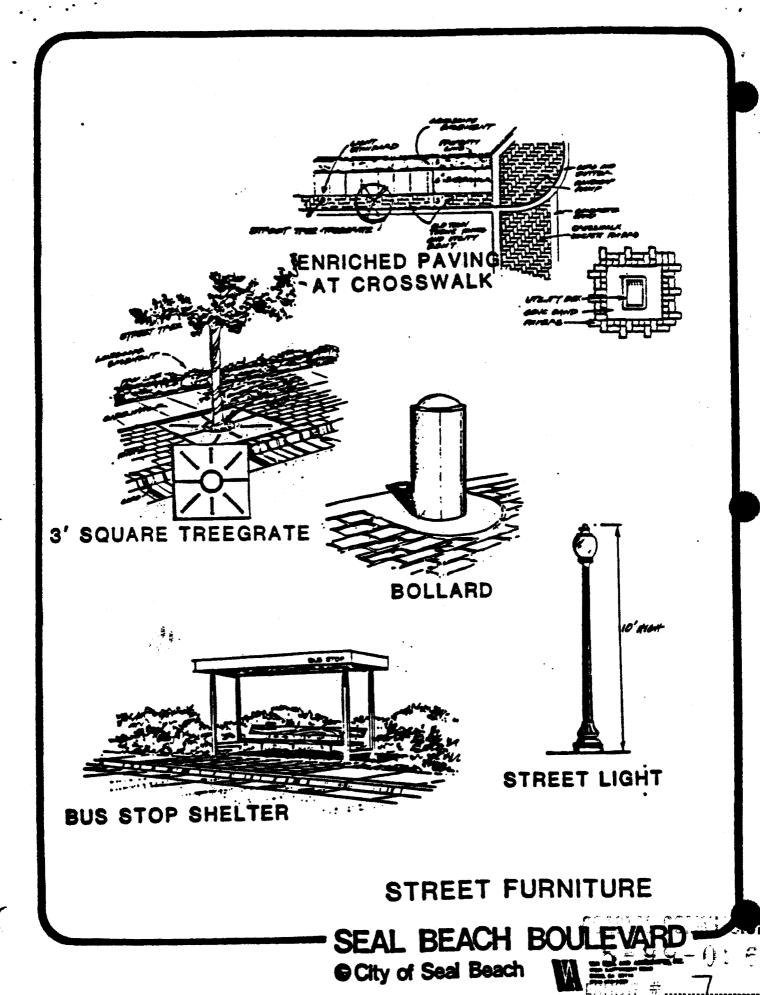
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CALIFORNIA COASTAL COMMISSION



TYPICAL SECTION-LOOKING NORTH

SEAL BEACH BOULEVAL City of Seal Beach

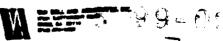


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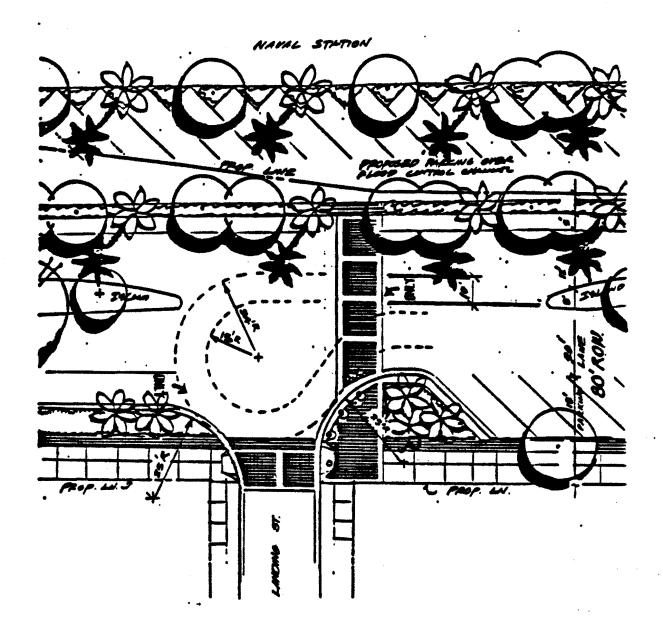


SEAL BEACH BOULEVARD

City of Seal Beach

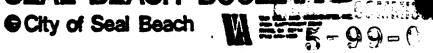


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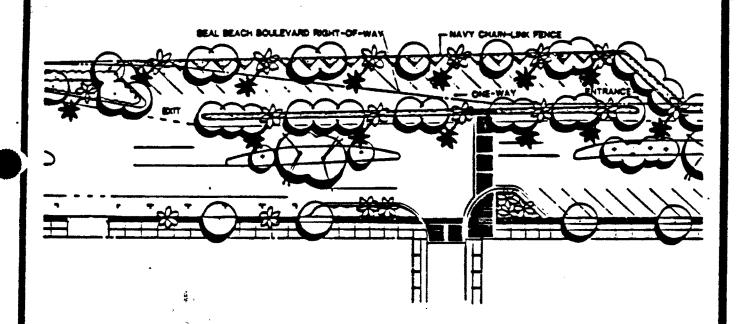
U-TURN STUDY at Landing Street

SEAL BEACH BOULEVAR



PAGE 7 OF

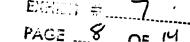
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COASTAL COMMISSION

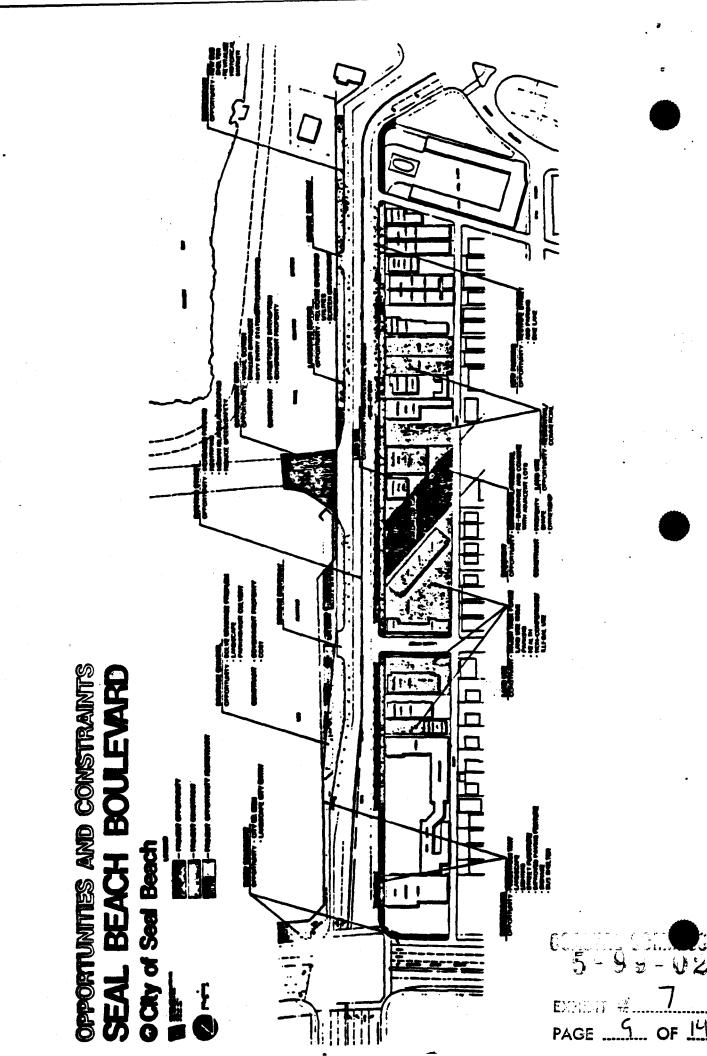


ADDITIONAL PARKING ALTERNATIVATIVE
24 PARKING SPACES

SEAL BEACH BOULEVARD

© City of Seal Beach . !





PRELIMINARY COST ESTIMATE SEAL BEACH BOULEVARD IMPROVEMENTS

May 21, 1986

	Quantity	Unit Price	Total
PHASE I			
Storm Drain (catch basins, manholes, pipe) Telephone Underground Sawcut and Demo (east curb) New Curb New A.C. Striping (Median, Parking)	(not inc 1,100 LF 5,500 SF	\$ 8.00 \$ 2.00 SUBTOTAL	\$ 53,800 15,400 8,800 11,000 1,500 \$ 90,500
Landscaping (east side) Palms @ 20' HT Palms @ 15' HT Trees @ 15 gal Shrubs @ 5 gal Ground Cover @ 12" OC Irrigation Sawcut (for trees) Planter Boxes	8 14 56 300 34,100 SF 34,100 SF 6	600.00 EA 300.00 EA 60.00 EA 11.00 EA .20 SF 1.00 SF 100.00 800.00 SUBTOTAL	\$ 4,800 4,200 3,360 3,300 6,820 34,100 600 4,800 \$ 61,980
PHASE II	PH	ASE I TOTAL	\$152,480
Sawcut/Demo (west curb) New Curb New A.C. and Driveways Sidewalk Embellished Parkway Paving Historical Marker Pedestrian Lighting	635 LF 965 SF 6,300 SF 4,000 SF allot 7 EA		\$ 7,035 5,080 2,895 14,175 24,000 1,000 12,600 \$ 66,785
Landscaping Palms Trees Ground Cover Irrigation Sawcut (for trees)	26 18 4,100 SF 4,100 SF 4	300.00 EA 60.00 EA .20 SF 1.00 SF SUBTOTAL SE II TOTAL	7,800 1,080 820 4,100 \$ 14,200 \$ 80,985

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EXERT # 7

PAGE 10 OF 14

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Sawcut (medians) & demo New Curb New A.C.	2,450 LF 2,450 SF	8.00 3.00 SUBTOTAL	\$ 18,795 19,600 7,350 \$ 45,745
Landscaping			
Trees @ 5 gal Trees @ 15 gal Shrubs Ground Cover Irrigation	19 32 460 9,180 SF 9,180 SF	15.00 60.00 11.00 .20 1.00 SUBTOTAL	\$ 285 1,920 5,060 1,836 9,180 \$ 18,281
	PHASE	III TOTAL	\$ 64,026
PRASE IV			
City Entry Sign Bus Stop Shelters Construct pavement overlay Striping	1 2	8,000.00 2,000.00	\$ 8,000 4,000 64,890 743
Embellished crosswalk	900 SF	6.00	5,400
Landscaping			
Palms Trees Ground Cover Irrigation Lighting	6 12 1,472 SF 1,472 SF 4	300.00 EA 60.00 EA .20 SF 1.00 SF 1,800.00 SUBTOTAL	1,800 720 295 1,472 7,200 \$ 11,487 \$ 94,520
PHASE V	٠.		, , , , , ,
(Additional Parking)			
Box Culvert Back Fill Curb and Gutter A.C.	350 LF 1,000 CY 900 LF 10,00 SF PHASE	220.00 5.00 8.00 2.00 V SUBTOTAL	\$ 77,000 5,000 7,600 20,000 \$109,600
	TOTAL	PHASE I-V	\$501,611
	+ 15%	Contingency	75,242
	GRAND	TOTAL	\$576,853

PAGE ______ OF ______

- P. Authorized the City Manager to execute and submit an application for SB 821 Bicycle and Pedestrian Facility Program funds for fiscal year 1986/87, designated for sidewalk reconstruction.
- R. Declared that a vacancy exists from Councilmanic District Five on the Environmental Quality Control Board for the unexpired term ending July 1990, on the Seal Beach Administration Building Authority for the unexpired term ending July 1988, and on the Department of Water and Power Advisory Commission for an undetermined term.
- R-1. Approved a budget amendment of \$10,000 allocated to account 5036 for repair and/or replacement of four City-owned underground storage tanks.

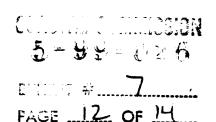
AYES: NOES: Clift, Grgas, Hunt, Risner, Wilson

Motion carried

ITEMS REMOVED FROM THE CONSENT CALENDAR

ITEM "O" - SEAL BEACH BOULEVARD MASTER IMPROVEMENT PLAN Councilman Grgas noted that the Improvement Plan is the result of a one and one-half year effort by the Seal Beach Boulevard Task Force, and conveyed appreciation to the Task Force members for their participation. Mr. Grgas expressed his personal feeling that Seal Beach Boulevard has been neglected, is unattractive and negatively impacts surrounding neighborhoods, and that improvements proposed by the Plan are necessary to upgrade a major entry into the City, and will tend to slow traffic on the Boulevard, which is a concern. He noted that the area is currently zoned C-2, under which a wide variety of uses would be allowed that may be undesirable, also that existing residential uses have been determined to be nonconforming by the current soning. Mr. Grgas stated that there are a number of other issues that still need to be addressed including improvements to existing uses, new development that may be proposed for the area, the ability to finance new construction, etc. Councilman Grgas clarified that no funds are being committed to the improvements over any other community need, however the Plan will allow consideration of funding the improvements as resources become available.

The Council invited comments from members of the audience. Mr. Greg Miller, Sandpiper Bike Shop, questioned the need for the street median, referred to the cost of maintaining same, and questioned why a median is not also proposed for Main Street, a roadway of equal width. Mr. Miller stated he felt bicycle riding will become unsafe, inquired why parking cannot be provided on both sides of the Boulevard, suggested that the speed of traffic be lowered through a means other than construction of a median, also stating he felt his business would be negatively impacted by certain improvements proposed. With regard to the width of Seal Beach Boulevard and Main Street, the Director of Development Services reported that both roadways have a total rightof-way of eighty feet, however Main Street having a curb to curb width of fifty-six feet with two twelve foot sidewalks, wersus the proposed Seal Beach Boulevard improvements that would provide a curb to curb width of sixty-six feet with a nine foot sidewalk to the west, and a five foot planting screen to the east. Mr. Dave Bartlett, Van Del and Associates, clarified that the median was the result of suggested improvements through the public participation process of



the Task Force, also explained that a U-turn pocket has been provided for northbound traffic at Landing Avenue, a U-turn also allowed at Pacific Coast Highway. Scretta Fielding advised that she was an original Task Force member, and expressed her support for approval of the Plan, which she stated will in turn allow consideration of positive improvements to the Boulevard. Mr. Bruce Stark, 204 Ocean Avenue and 209 Seal Beach Boulevard, stated that although he was originally opposed to the Plan, it does represent a compromise of many competing interests, suggesting that the Plan be adopted and that some funds be designated toward implementing the improvements, and questioned a rumor that development on the Boulevard may be considered for a Redevelopment project area. The City Manager advised there have been no inquiries or discussions regarding redevelopment in the subject area to his knowledge, and stated that once the Plan is adopted, the staff will implement the Plan, however will not make amendments to it, and pointed out that a future amendment to the Plan could be requested following the proper procedures. Councilmember Risner questioned City undergrounding of the area and proposed for special lighting fixtures rather than the undergrounding and fixtures being provided by Edison Company, also the extent and need for textured sidewalks in the improvement area, and the related costs for those improvements. She requested staff assurance that the Council will have the opportunity to approve or deny specific items of the Plan at a later date. Mr. Dennis Courtemarche, 315 - 16th Street, spoke for adoption of the Plan as presented, however should revisions be considered, requested that the basic concept of improvements be retained. Mr. Courtemarche referred to the Boulevard as a major entrance to the community and in great need of improvement, advising that with the Plan adopted, opportunities for grant funds may become available to further implement the Plan. He also pointed out that if the concept of the Plan can be maintained however a means is found to reduce certain costs of implementing same, he did not feel objections would be raised by those who participated in the preparation of the Plan. Councilman Grgas explained that before any funding is sought or specific improvements commenced, Council consideration would again be required. Peggy Morrison, 314 - 17th Street, stated that in her thirtyfive year residency, she has seen no improvements to Seal Beach Boulevard, expressed her feeling that any improvement to the Boulevard will benefit the City as a whole, and spoke for approval of the Plan. Discussion continued.

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Grgas moved, second by Clift, to approve the Seal Beach Boulevard Master Improvement Plan as recommended by staff. Discussion continued.

Councilmember Risner moved to amend the Plan, replacing the proposed City purchased decorative lighting, similar to the fixtures on the Municipal Pier, with Edison fixtures. Councilman Grgas accepted Mrs. Risner's amendment as a modification to the original motion.

Mr. Bartlett clarified that the design elements, the street lighting and enriched pavement, were added to the Plan in response to Task Force concerns of design continuity and consistency throughout the City, and explained that the enriched pavement, stamped concrete, is proposed across Seal Beach Boulevard at Pacific Coast Highway and throughout a three foot wide area where trees are proposed along the business side of the street. Mr. Mike Martin, Area Manager for the Edison Company, recalled that when this particular

5-99-026
EMERT # 7

PAGE 13 OF 14

Plan was proposed there was discussion of undergrounding Seal Beach Boulevard, and advised that if funds are available, those funds set aside for cities and counties by the Edison Company, the Edison Company will put in, at no expense to the City, standard Edison owned and maintained street lights. Mr. Martin explained that if the City chose decorative lighting at the time the undergrounding takes place, the Edison Company would provide the service, however the City would be required to put in and maintain the system. Mr. Martin confirmed that the existing lighting fixtures on the Electric Avenue greenbelt are a standard Edison fixture. Mr. Martin stated that underground costs are calculated at approximately \$100 per foot, however soil conditions and different voltage systems would need to be taken into consideration when calculating actual costs, noting that the area in question would appear to be a standard project given the minimal number of services within the project Area. In response to Council, Mr. Martin reported that after the First Street/Ocean Avenue undergrounding project, approximately \$30,000 will remain in the City's undergrounding fund, that approximately \$51,000 is credited to the City's fund annually and that the City may borrow on those funds up to and including a three year allocation. The Development Services Director reported that the area of Seal Beach Boulevard that would be proposed for undergrounding is approximately 1100 feet. Councilmember Risner stated she would vote in favor of the motion, as amended, with the understanding that changes may be made in the future.

Vote on the motion, as amended, to adopt the Seal Beach Boulevard Master Improvement Plan:

AYES:

Clift, Grgas, Hunt, Risner, Wilson.

NOES:

Motion carried

APPOINTMENTS - BOARDS AND COMMISSIONS

None

<u>Planning Commission</u> <u>Councilman Grgas requested that the District One appointment be held over.</u>

Seal Beach Administration Building Authority
Mayor Clift requested that the District Four appointment
be held over.

VOTING DELEGATE - LEAGUE OF CITIES CONFERENCE Risner moved, second by Hunt, to designate Mayor Clift as the City's voting delegate to the 88th Annual League of California Cities Conference, and that Councilmember Risner be designated as the alternate voting delegate.

AYES: NOES: Clift, Grgas, Hunt, Risner, Wilson

None

Motion carried

COUNCIL ITEMS
Mayor Clift stated he wished to propose a budget amendment at next meeting relating to the purchase of a gang mower to be used at the Armed Forces Reserve Center Park and on other City properties. Mayor Clift reported a group of College Park East residents are proceeding in an attempt to raise funds towards the purchase of this equipment, also that monies budgeted for the lowering of the wall at the Park, that are no longer required to be be expended for that purpose, could be reallocated toward the purchase of this equipment. Councilmember Risner requested a report from the City Manager regarding what steps can be taken to trim the palm trees on Bolsa Avenue.

5-98-026

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SCAG County Population Forecasts

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Return to 1998 Adopted Forecasts

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November 23, 1998

RECEIVED
South Coast Region

NOV 2 5 1998

CALIFORNIA COASTAL COMMISSION

Karl Schwing Coastal Program Analyst CALIFORNIA COASTAL COMMISSION South Coast Area 200 Oceangate, 10th Floor Long Beach, CA 90802

Re: OBJECTION TO REZONING FROM C-2 TO R-1
300 Block Seal Beach Boulevard
Pending Applicant MUSSO "Anaheim Bay Villas"

Karl:

Thank you for taking the time this morning to discuss the background of the application that will come across your desk after it is approved by the City Council of Seal Beach. It has already passed the Planning Commission by a 4-1 vote with the chairman dissenting.

I have enclosed an article that I tried to have published in our local paper. Unfortunately, certain words were changed, and my name was omitted as the author of the article. The editor said it would be republished two weeks ago, but it has not been. The editor has a strong friendship with a council member as well as certain key people on the City staff.

The planning commission approved this zone change based on their logic that "a bird in the hand is worth two in the bush." In the last 25 years, no one has taken out a building permit on this section of Seal Beach Boulevard. Therefore, they reason, if Mr. Musso finally comes along and offers to build eight residences in a commercial zone, and hand over \$120,000 in fees to the City, why not?

This is "why not." The City has orchestrated a "no-build" zone on this street from Coast Highway to Electric by not providing additional beach access parking on either the Pacific Electric right of way nor the Navy Weapons Station site. Both sites are available to validate the City's 1991 ordinance that allows four in lieu commercial spaces for each 25 foot street frontage. Parking on site is not possible because access to the building site cannot be made

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PAGE....

with out a curb cut and loss of beach access parking, and rear access cannot be made because the 10ft residential alley will not support commercial traffic.

And why has the City taken this position, when on the other hand it pleads for new commercial development on the Bixby property, also in Seal Beach? Because the residents on the beachfront do not want their privacy invaded by such new commercial activity on Seal Beach Boulevard. The City has not been required to open up the beaches to serve the public on both the Southside of Seal Beach, and in Surfside, because the City has never filed a local coastal plan (LCP).

I have also enclosed an article that was written and published in the Orange County Register. It is called "Red Tape", that has been created by a City staff that has been in power continuously for the last ten years.

Please add me to your mailing list when this application is submitted to your office.

Thank you.

Walt Miller

231 Seal Beach Boulevard

Suite 3

Seal Beach, CA 90740-6596

Tel (562) 598-8455 FAX (562) 430-0912

Enclosures

20/20 VISION

City Councilman Boyd won his election based on his "Vision" of Seal Beach. Now he is either looking through the wrong end of the binoculars and seeing "Spot Zoning", or needs new glasses. Will 9 new zero lot line residences on Seal Beach Boulevard reduce our 11% utility tax or increase our property values? Will replacing businesses on 300 block of Main Street with residences come next? Seal Beach Boulevard is now zoned to be a "Main" St. Why change?

New "Vision". . Between 1619 and 1639 Seal Way, there is a twenty-foot wide concrete walk and a 25' greenbelt, all maintained by the City. What if that 20 foot "Boardwalk" was extended to Pacific Coast Highway, adding "greenbelt" on easements granted by the Navy? What if that 20 foot "Boardwalk" was also raised and extended to the pier parking lot to act as a seawall? What if that 20 foot "Boardwalk" was extended on the Northside beach sand to First Street? Think of it as more "cash" visitors, "no parking required." Our neighbors to the north and south have done it. What if the City used the in-lieu parking fees collected for all these years and put 100 parking spaces on the Pacific Electric right-of-way between Seal Beach Boulevard and Electric Avenue, and provided a free quaint City tram to Main St? What if diagonal parking, same as Main Street, were stripped on Seal Beach Boulevard? This concept could restore dignity and bring business back to the "Gateway" to Historic Old Town, at minimal effort and cost to the City.

Retail space, with sales tax, never stops giving back to the City. Residential space never stops taking from the City. Our City leaders need a "Vision" that enriches the community, not just applicants.

Walt Miller 231 Seal Beach Blvd 5621598-6783

5-99=026

EXHIBIT # 9

PAGE 3 OF 13

RECEIVEDSouth Coast Region

JAN 13 1999

December 14, 1998

CALIFORNIA COASTAL COMMISSION

City Council of the City of Seal Beach City Hall 211 Eighth Street Seal Beach, California 90740-6379

Re: General Flan Amendment 98-2 Zone Change 98-2 321 Seal Beach Boulevard For the neurol:

Anotim By

Villago - OPPOSITION

to Zone Change

3 ENCLOSURES 1/12/99

Public Hearing Monday, December 14, 1998, at 7:00 p.m.

OBJECTIONS TO THE PROPOSED ACTION

- 1. If the Sity Council passes this application for a Zone Change, it is putting itself in a contradictory position as a result of its prior approval of the Bimby retail center. In the Bimby approval the Council changed residential space to commercial space, over the strong objections of the residents. In the Musso approval the Council will have changed commercial space to residential space, over the strong objections of the emisting business owners.
- It seems the actions of the Council are guided by the amount of money the City will raise as a result of accommodating developers. City staff continues to make no effort to develop a plan first, and then invite developers in to make their proposals. City staff fails to present the <u>cumulative effects</u> of its recommendations to the City Council.
- 3. The cumulative effect in the Bixby approval seems to be the abandonment of the Rossmoor Retail Center in favor of a new development across the street. If the Rossmoor Center fights back, the two centers immediately off the freeways, will rival the new Carson mall as well as the Westminster mall, and bring with it the resulting traffic gridlock. The existing surrounding residential areas were not designed to handle such traffic, and there is no further open space to use as an alternative. We can expect to see residential property values drop accordingly.

5-99-025 EXHIBIT # 9 PAGE 4 OF 13

- 4. The cumulative effect of approval of the Musso project will be the loss of commercial development of the "Gateway to Seal Beach." Main Street is jammed with no commercial extension possible because of lack of parking, and the economic roadblock to convert existing residential to parking and/or commercial space. Outside visitors may find other beachside communities such as Long Beach, Huntington Beach, Newport Beach with more attractive access and amenities. When out-of-town visitors come to town, they come because they expect to enjoy the ambiance. If instead they find parking next to impossible, a hodgepodge of commercial, and overcrowded "cookiecutter" residential, they may not come back. The result may be that both commercial and residential property values will drop because Seal Beach will become a quasi bedroom community.
- The City Council could, and should, have had a joint study meeting with its planning commission, a California Coastal Commission analyst, and the general public, to determine the best use of Seal Beach Boulevard, Old Town, before making their vote. It instead chose to ignore available direction and expedite this approval for the sole benefit of the applicant and the absentee owner Ellen G. Musso. If the City Attorney condones your actions, given this information, I believe you again are opening the door for future legal action, as you have in both the recent approvals of Hellman and Bixby.

I ask that the City Council <u>deny</u> this applicant's request for a special zone change requiring a General Plan Amendment. If the City Council passes this proposed action, I understand I am limited to raising only those issues in court, which I have addressed in this letter. Furthermore, the <u>cumulative actions</u> taken by this City Council, may lead to a recall of certain members.

Respectfully,

Greg Miller, Business Owner of Sandpiper Bicycle Repair For the <u>last 17 years at this location:</u>
231 Seal Beach Boulevard, Seal Spack 99 = 0

EXHIBIT # 9
PAGE 5 OF 13

December 10, 1998

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Copy First Class Mail

City Council of the City of Seal Beach 211 Eighth Street Seal Beach, California 90740 RECEIVED
South Coast Region

JAN 13 1999

Re: General Plan Amendment 98-2 Zone Change 98-2 CALIFORNIA COASTAL COMMISSION

321 Seal Beach Boulevard

Public Hearing Monday, December 14, 1998, at 7:00 p.m.

OBJECTIONS TO THE PROPOSED ACTION

- The City Council failed to analyze the project's cumulative effects, and stated that the project would benefit the community. The City Council should have acknowledged that the primary and immediate benefit would be to the City coffers, and that the City did not, and does not have a plan to develop the commercial potential of this area. What does this mean? The low cost multi-family high density housing owners immediately south will soon have to find money, and apply for their "spot" zoning when these 16 new residents realize what is next to them, and show up at the City Council. The absentee owners will find their properties, which now houses the infrastructure labor force of Main Street at modest rents, will also become worthless. And then there is the remaining properties between landing and the alley at Electric that will soon be drummed out, ridding the entire area of its commercial potential. The granting of a Mitigated Negative Declaration is flying in the face of fact, and should be denied. The City Council should have acknowledged that connection and evaluated the combined fiscal impact on spot zoning.

5-99-025

EXHIBIT # 9

PAGE 6 OF 13

profits. The City has never supported an Architectural Review Board, filed a Local Coastal Plan, filed a Land Usage Plan, nor developed a plan to utilize the commercial in lieu parking fees collected for the last 10 years. The City Council does not have the legal authority to pass a General Plan Amendment since it has NO PLAN FOR THIS AREA.

- 3. The City Council decision to allow this "spot" zoning change came without any opportunity for public input, and thus violates the law. Councilman Boyd, supported by the remaining two council members, stated that the Planning Commission is "advisory" only, and rejected the request of Chairman Brown "that the City Council authorize the Planning Commission to hold Public Hearings on Seal Beach Boulevard as a whole." (minutes of October 7, 1996)
- The Planning Commission, which rejected the initial application 3-2, approved the zone change, 4 to 1, based on public testimony and a "public hearing of residents and business owners" held at the invitation, and on the premises of the Owner. In addition to the opening statements, visual presentations, and closing statements by the Applicant: David Bartlett and a representative of the Owner, the public hearing included testimony from consultants paid by the Applicant/Owner. Furthermore, Mr. Bartlett, the Applicant, had ex parte communications with all five planning commissioners on this matter. Mr. Bartlett stated to Chairman Brown that he did not know that this practice was illegal. The vote was taken at 11:45 p.m., long after many had left the chamber, and over the objection to continue the matter.
- The Applicant and Owner have spent considerable time and money pushing their project through City Staff. City Staff has recommended approval both to the Planning Commission and to the City Council. Again, Dave Bartlett has had substantial ex parte communication with council members. Which again, is illegal if not disclosed, and inappropriate, at best, if disclosed. Especially since Dave Bartlett is being paid to do this by Mr. Mussc. Those of us opposed, cannot afford to lobby because we have no economic gain, just more loss. Neither the City Staff nor the Owner or Applicant, has sought the opinion of the

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California Coastal Commission on this issue. The City Staff, as a member of a public agency, has unlawfully made a recommendation without consulting, or even advising the California Coastal Commission of the City's intent to change beach access commercial zoning to medium density residential. Furthermore, Councilman Boyd, during the last City Council meeting, publicly stated that the Coastal Commission doesn't have any idea on what going on here. (A Cable TV tape recording will set out the exact words he used).

- 6. Councilman Boyd verbally stated to me, as the City Attorney, Quinn Barrow, left the impromtu meeting, that he would see that the City develop a plan for Seal Beach Boulevard when I returned to him with "five developers who were ready to build on that street." The fact that I have a \$500,000 project sitting on hold for the last seven years waiting for a plan, was not what he was looking for. Some might think this to " be "extortion". On the other hand, it is precisely the policy followed by the City over the last 25 years. E.g. Hellman Ranch, Bimby Center, Com Construction, Erickson Construction, Watson & Associates, Dick Mitchell. All these developers came to the City promising money and were given their permits, without the City having to develop a plan that would bind future development of a like nature. As Councilman Boyd said, 'piecemeal' approvals keeps our options open.
- 7. The City Counsel has not represented the residents in all their decisions. They have been obsessed with adding to the City budget without regard for the cumulative effect. The City Counsel has failed in its duty to monitor spending. E.g. \$100,000 golden parachute for City Manager after one year of service; \$400,000 for improving one block of 12th Street; \$50,000 to put in "round about" at 5th and Central to "calm traffic", untold thousands of dollars spent on hauling in beach sand to the Southside beach, which survived the onslaught of the sea until 1992 without such a project. Furthermore that "Beach" has no "de facto" access because of the failure of the City to provide parking, restrooms, signage and public telephones for use by other than residents of the boardwalk. What's this mean? The City Council approved a seven year extension of an exclusive " a continue of an exclusive " a continue of an exclusive " a continue of an exclusive of a continue of a co 5-93-02

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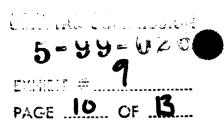
lucrative waste contract with Briggeman, who subsequently sold out to Republic Industries within three months of the approval, and without public hearing and study. Rather than provide a skeleton crew to staff City offices from 7 to 8 am and from 5 to 6 pm Monday through Friday, the City has elected to "work" a ten hour day Monday through Thursday. As a result, vacation days are now paid as 10 hour days, and not 8 hour days, as originally designed. That cost the City 25% more in salary plus 25% in related benefits. The truth is, this City cannot justify extracting money from developers, and from its 11% utility tax, when the City Council is not capable of oversight. Staff has not developed any support to show that the construction of eight single family residences will meet the low income housing requirements of the City, and that too, may be illegal. Staff has not developed any support to set presedent that these eight single family high end residences will be the only such single family residences fronting on the entire length of Seal Beach Boulevard from Ocean Avenue to the bity limits of Los Alamitos. Staff has not developed any support to show the impact on the "major entryway into the Old Town area of our community." (Victor S. Grgas Dec 1, 1996).

The City Council may have violated its own duty to its constituents, who elected them in public elections, by supporting a City Staff that has not changed in ten years, a City Staff that has exhibited no vision for the use of its natural resources, and a City Staff that sees revenue enhancement as extracting fees from developers on a "piecemeal" basis. The City Council is repeating the pattern followed by the many councils before, and that is to grant what Staff recommends based on the promised revenue enhancement, and not on the cumulative effects of their actions. The people (who live in this town and pay the bills) have not received what they were promised. On the other hand, the Council and appointed Staff (who do not live in this town and do not pay the bills) have and are continuing to received what they have been promised by the applicants and developers and owners coming before them with their pet projects.

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- 9. The City Council cannot use publicly circulated petitions that were signed based on this project improving residential property values on 17th Street.
- 10. If eight single family four bedroom houses are built on this site, eight families with two preschool children each could be expected. Although the City will collect \$80,000 in park fees, the nearest tarks for preschollers to this project are on Marina Drive and Second Street, and at the base of the pier. result as many as 16 young children will be playing on the sidewalks in front of these houses. These sidewalks also serve as a major bus stop, and entry to the high volume liquor store and bait shop next door, as well as the major intersection of Pacific Coast Highway and Seal Beach Boulevard. Traffic next to these sidewalks runs to 50 mph. If we can't have liquor stores and high speed traffic immediately next to our schools, how can the City find it legal to approve the building of single family homes next to these hazards to children?
- 11. This City Council now has pending litigation against it for approving the Hellman Ranch project, the Bixby shopping center project, and now may have the same on this project. How much of the City budget is spent on litigation? I believe the public has a right to know the answer to this question before this application is put to a vote.

I ask that the City Council deny this applicant's request for a special zone change requiring a General Plan Amendment. Instead, spend the funds set aside to improve Seal Beach Boulevard as it was envisioned 10 years ago, and give Mr. Musso a rental property that would be a keystone property for small beach serving shops. I believe that some of the five of you on the Council may have, in your heart and soul, the insight to turn the tide around tonight and send this project back to the drawing boards. If I am wrong and the City Council passes this proposed action, I understand I am limited to raising only those issues in court, which I have addressed in this letter.



Respectfully,

Walter F. Miller, Business Owner and Property Owner

For the last 25 years at this location: 231 Seal Beach Boulevard, Seal Beach

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CITY COUNCIL - November 23, 1998

JAN 1 3 1999

CALIFORNIA COASTAL COMMISSION:

Oral communication:

Anaheim Bay Villas - Zoning change

I want to get out some facts:

1. The minutes of the October 7, 1998 planning commission showed 3 approvals and 7 denials of the zoning change.

PROJECT APPROVED 4 to 1 ON NOVEMBER 18, 1998.

2. The minutes of the October 7, 1998 planning commission showed a Motion made by Chairman Brown to hold public hearings on Seal Beach Boulevard as a whole.

NO PUBLIC HEARINGS HAVE BEEN HELD.

3. No application has been made to the California Coastal Commission.

NO DIRECTION HAS BEEN RECEIVED FROM THEM.

4. There are eight absentee property owners on Seal Beach Boulevard between Coast Highway and the alley before Electric. The remaining property owners are Musso, Miller, Fielding and Copy Machine Service building.

ABSENTEE OWNERS COLLECT RENTS FROM TENANTS.

5. There is <u>not one</u> single family residence fronting on Seal Beach Boulevard from Electric in Seal Beach to 7 miles north to Ball Road in Los Alamitos.

THE REZONING WOULD SET A PRECEDENT.

6. The application asks for Residential Medium Use only for the Musso property.

THIS IS SPOT ZONING. THERE IS NO PLAN. ALL THE REMAINING PROPERTY OWNERS ALSO NEED TO APPLY PIECEMEAL.

7. The Council approved the Bixby commercial development because the City needs money today and tomorrow.

A COMMERCIAL SEAL BEACH BOULEVARD MEANS MONEY.

8. Commercial development will increase traffic speed and density on Seal Beach Boulevard.

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PUBLIC PARKING ON THE PACIFIC ELECTRIC RIGHT-OF-WAY, DIAGONAL PARKING, AND CROSSWALKS LIKE MAIN STREET WILL STOP HIGH SPEED TRANSIT TRAFFIC BY TAKING AWAY THE CORRIDOR NOW USED. PARKING AT THE GATEWAY WILL REDUCE CARS ON MAIN STREET AND SEAL BEACH BOULEVARD.

9. Hellman Ranch passed 6 to 5 based on the public support.

IT WAS THE BEST WE COULD DO. ADDING 8 SINGLE FAMILY RESIDENCES IN A POTENTIALLY LUCRATIVE BUSINESS ZONE IS NOT THE BEST WE CAN DO. IT IS THE WORST.

IF THE PRESENT STAFF AND COUNCIL IS TO SERVE THIS CITY, IT MUST DEVELOP FOR THE FUTURE AND OFFER THE ATTRACTION THAT MAKE THIS TOWN A DESIRABLE PLACE TO LIVE AND VISIT.

5-99-000 EXHIBIT # 9

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