

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071

Filed: 6/4/2004
49th Day: 7/23/2004
180th Day: 12/1/2004
Staff: CP-LB
Staff Report: 7/22/2004
Hearing Date: August 12, 2004
Commission Action:

**Th4c****RECORD PACKET COPY****STAFF REPORT: CONSENT CALENDAR****APPLICATION NUMBER:** 5-04-215**APPLICANT:** Czuleger Family Trust**AGENT:** Khoa Nguyen**PROJECT LOCATION:** 1010 N. Catalina Avenue (King Harbor Plaza shopping center), City of Redondo Beach, Los Angeles County.**PROJECT DESCRIPTION:** Convert 3,084 square foot hardware store to an Internet café with 82 computer stations, including interior and exterior renovations.

Lot Area	4-acre shopping center
Parking Spaces	401
Zoning	C2-A
Plan Designation	Commercial
Ht above final grade	25 feet

LOCAL APPROVAL: City of Redondo Beach Conditional Use Permit, Case No. 04-37 & Resolution No. 9231 (5/20/2004).**SUBSTANTIVE FILE DOCUMENTS:**

1. City of Redondo Beach certified Land Use Plan, 6/18/1981.
2. City of Redondo Beach certified Local Coastal Program, 9/11/2003.

SUMMARY OF STAFF RECOMMENDATION

The proposed project is located within an area of deferred LCP certification. Therefore, the Commission is processing the required coastal development permit application. The City of Redondo Beach has approved a Conditional Use Permit for the proposed project. The proposed change of use involves a change in intensity of use that would increase the parking demand in the parking lot of an existing commercial development. The applicant's parking surveys show that the shopping center's 401-space parking lot has adequate capacity to accommodate the increased customer demand for parking. Staff is recommending that the Commission **APPROVE** a coastal development permit for the proposed development with no special conditions. **See Page Two for the motion** to carry out the staff recommendation.

STAFF RECOMMENDATION:

The staff recommends that the Commission adopt the following resolution to **APPROVE** the coastal development permit application with special conditions:

MOTION: *"I move that the Commission approve the coastal development permit applications included on the consent calendar in accordance with the staff recommendations."*

Staff recommends a **YES** vote. Passage of this motion will result in approval of all the permits included on the consent calendar. An affirmative vote by a majority of the Commissioners present is needed to pass the motion.

I. Resolution: Approval with Conditions

The Commission hereby **APPROVES** a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3 of the Coastal Act. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

II. Standard Conditions

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. **Expiration.** If development has not commenced, the permit will expire two years from the date this permit is reported to the Commission. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

III. Findings and Declarations

The Commission hereby finds and declares:

A. Project Description

The applicant proposes to convert a 3,084 square foot retail space (hardware store) in an existing shopping center into a computer arcade/Internet café with 82 computer terminals (Exhibit #3). The proposed business would rent computer terminals by the hour to allow its customers to browse the web, read and send e-mails, play games, chat online, conduct business transactions, create and print documents and photographs. The proposed tenant improvements include new storefront windows, restrooms, storage room and a service counter. No increase in enclosed floor area or building height is proposed.

The shopping center, known as King Harbor Plaza, occupies approximately four acres and consists of 36 tenant spaces and a shared parking lot with 401 parking spaces (Exhibit #3). The center was built in 1970. The existing tenants include a large grocery store and a large pet supply store. Three of the smaller commercial units are vacant. Customers of the proposed use would park their vehicles in the shopping center's 401-space parking lot.

The proposed use (Internet café) is a more intense use than the former retail use in the unit. Therefore, the proposed use is anticipated to generate a greater parking demand than the prior use. The applicant's parking surveys show that the shopping center's 401-space parking lot has adequate capacity to accommodate the increased demand for customer parking, and that it is very unlikely that the proposed project would cause customer parking demand to overflow onto the adjacent public streets. The project site is sufficiently inland that the surrounding neighborhood it is not used as a public parking area in support of coastal recreation. A large power generating station (Redondo Beach Generating Station) occupies the land area situated between the project site and the shoreline at King Harbor (Exhibit #1).

The applicant has provided three detailed parking lot utilization surveys which recorded the number of parking spaces being utilized on an hourly basis (Exhibit #4). The first survey was conducted March 8 through March 21, 2004. The second survey was conducted over the summer weekend of July 2 through July 4, 2004. The third survey was conducted over the summer weekend of July 9 through July 11, 2004. According to the surveys, the greatest parking demand occurred daily in the afternoon and early evening hours between 12 p.m. and 7 p.m. The parking lot rarely was filled to half of its capacity. The overall peak in parking lot use recorded by the survey occurred at 1 p.m. on Saturday, March 13, 2004 when 231 parking spaces were being used. At 12 p.m. on Saturday, July 3, 2004, the survey recorded 222 of the 401 parking spaces being utilized. Parking lot use on the 4th of July never exceeded 122 spaces, according to the survey. Therefore, the parking lot never filled near its 401-car capacity, and there were at least 170 vacant parking spaces available during the peak use period on each day of the surveys. The parking lot survey showed no substantial increase in demand on the 4th of July, indicating that the parking lot is not being used to support coastal recreation.

The City and the Commission do not have a specific parking standard for computer arcades. The certified LCP parking requirement for amusement centers is one space for each 200 square feet of floor area (16 spaces). At the rate of one parking space per each fifty square

feet of floor area, which is the highest commercial parking ratio used by the Commission, the proposed use would generate a maximum parking demand of 62 spaces. The actual parking demand, however, would probably not exceed one car for each pair of the 82 proposed computer terminals (41 spaces). Therefore, even if the proposed use generated the maximum anticipated commercial parking demand of one space per fifty square feet of floor area, the existing 401-space parking lot would continue to provide an adequate parking supply for the current commercial uses and the proposed use.

The certified Redondo Beach LUP designates the project site with the Commercial land use designation, which allows the proposed use. The City of Redondo Beach approved a Conditional Use Permit for the proposed project, a Commercial Recreation Facility in the C-2A zone. Therefore, the proposed project conforms with the land use designation set forth for the project site in the certified Venice LUP. The proposed project is consistent with community character, and will have no negative effects on visual resources or coastal access. The project is consistent with Chapter 3 policies of the Coastal Act and previous Commission approvals, and will not prejudice the City's ability to prepare an LCP for this area of deferred certification.

B. Development

The development is located within an existing developed area and will be compatible with the character and scale of the surrounding area and will avoid cumulative adverse impacts on public access. Therefore, the Commission finds that the proposed development conforms with Sections 30250, 30251, 30252, and the public access provisions of the Coastal Act.

C. Recreation Areas and Parks

The proposed development will not result in significant degradation of adjacent habitat, recreation areas, or parks and are compatible with the continuance of those habitat, recreation, or park areas. Therefore, the Commission finds that the proposed development conforms with Section 30240(b) of the Coastal Act.

D. Public Recreation

The proposed development does not interfere with public recreational use of coastal resources. The development protects coastal areas suited for recreational activities. Therefore, the Commission finds that the proposed development is in conformity with Sections 30210 through 30214 and Sections 30220 through 30223 of the Coastal Act regarding the promotion of public recreational opportunities.

E. Local Coastal Program

Coastal Act section 30604(a) states that, prior to certification of a local coastal program ("LCP"), a coastal development permit can only be issued upon a finding that the proposed development is in conformity with Chapter 3 of the Act and that the permitted development will not prejudice the ability of the local government to prepare an LCP that is in conformity with Chapter 3. The City of Redondo Beach LCP was effectively certified on September 11, 2003. However, the proposed project is located within an area of deferred LCP certification. The Redondo Beach Land Use Plan (LUP), which was certified on June 18, 1981, includes policies

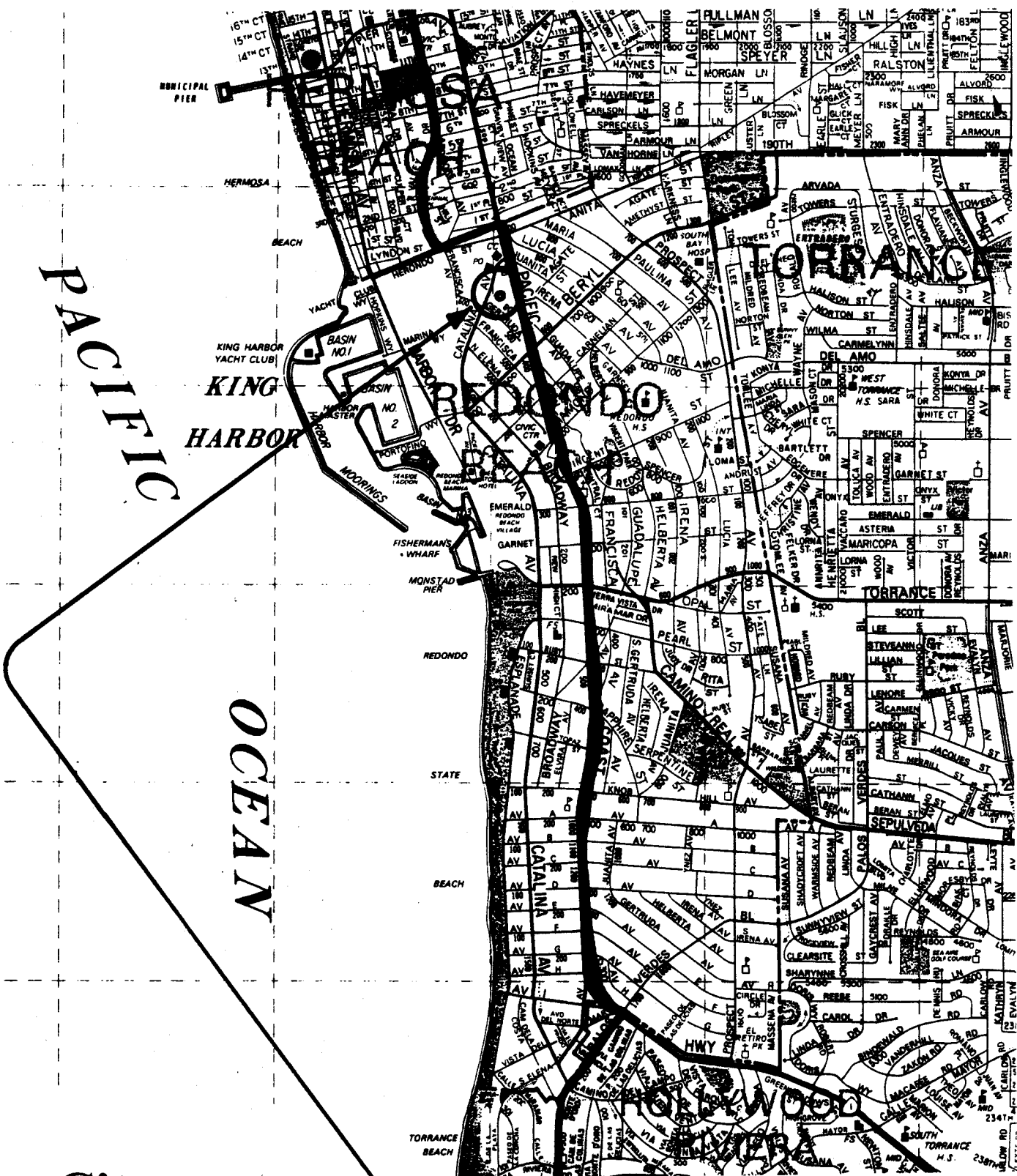
applicable to the project site. The proposed development is consistent with Chapter 3 of the Coastal Act and the certified Redondo Beach LUP. Approval of the project, as conditioned, will not prejudice the ability of the local government to prepare an LCP that is in conformity with the provisions of Chapter 3 of the Coastal Act.

F. California Environmental Quality Act (CEQA)

Section 13096 Title 14 of the California Code of Regulations requires Commission approval of a coastal development permit application 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.

The proposed project has been found consistent with the Chapter 3 policies of the Coastal Act. All adverse impacts have been minimized by the recommended conditions of approval and there are no feasible alternatives or additional feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project as conditioned can be found consistent with the requirements of the Coastal Act to conform to CEQA.

End/cp



PACIFIC

KING HARBOR

OCEAN



City of Redondo Beach

Project Site
1010 N. Catalina

COASTAL COMMISSION
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EXHIBIT # 1
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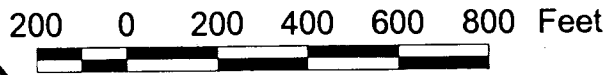
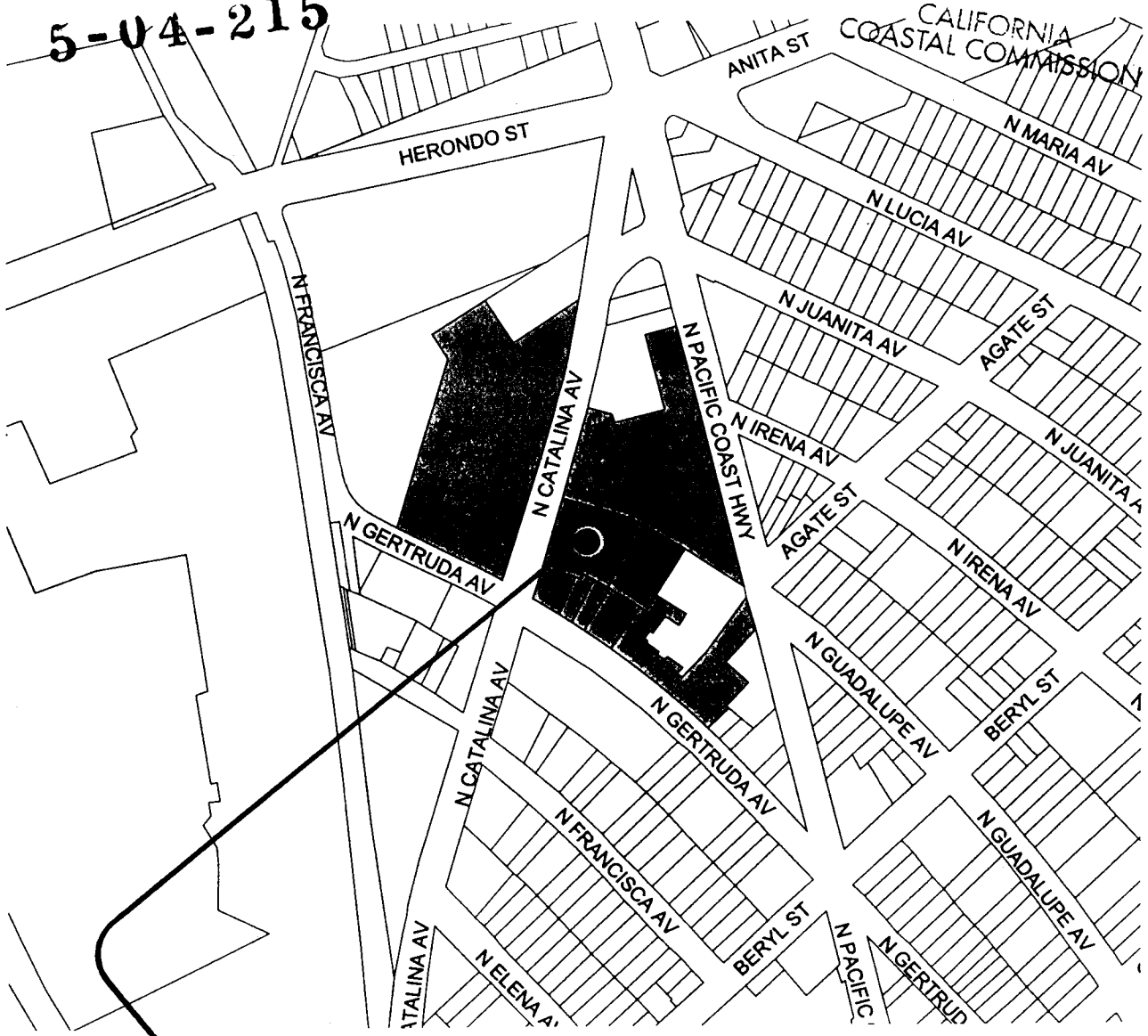
Assessor's Parcel Map

1010 North Catalina Avenue

RECEIVED
South Coast Region

JUN 4 - 2004

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Project Site

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5-04-215

EXHIBIT # 2

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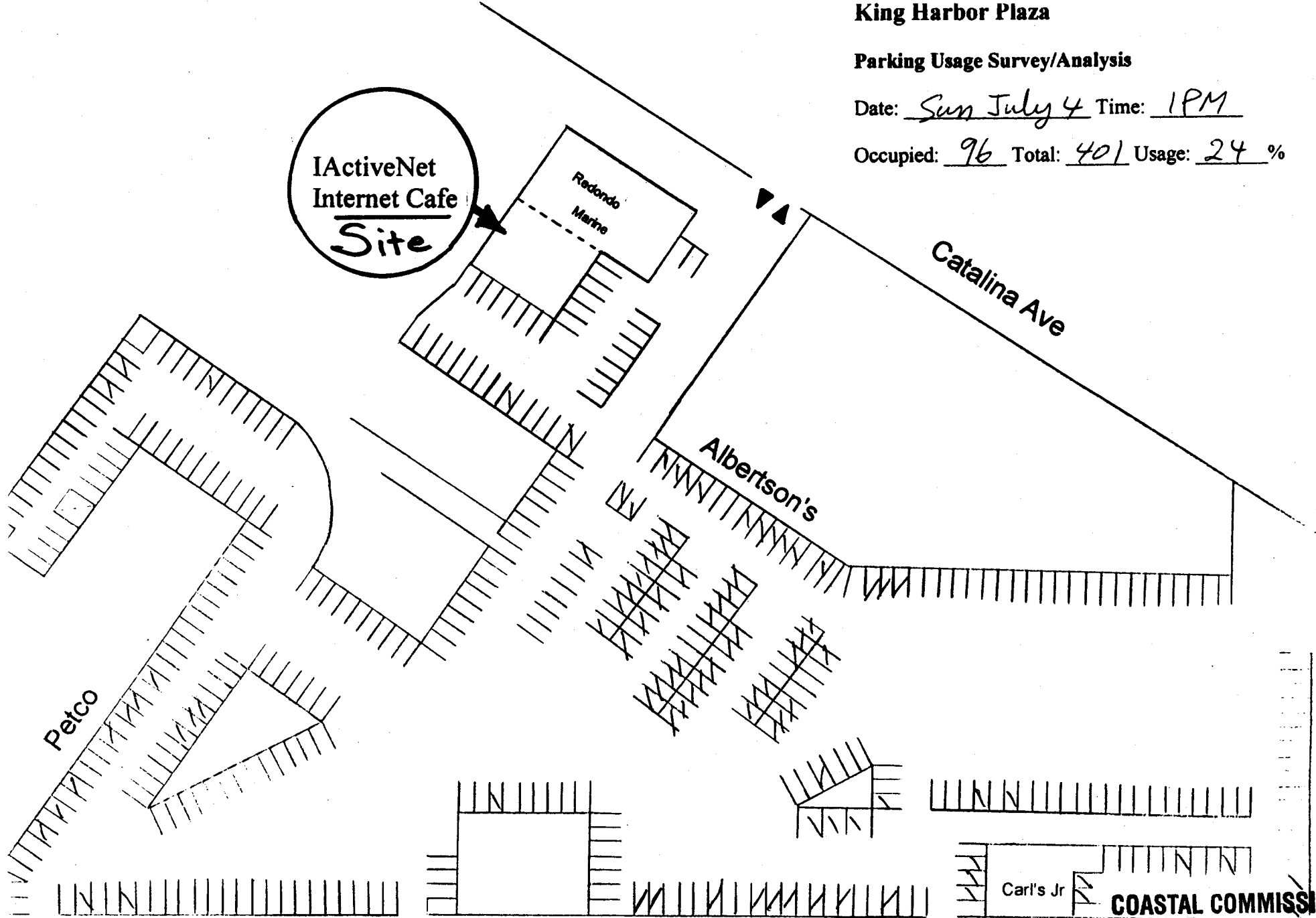
King Harbor Plaza

Parking Usage Survey/Analysis

Date: Sun July 4 Time: 1PM

Occupied: 96 Total: 401 Usage: 24 %

IActiveNet
Internet Cafe
Site



Pacific Coast Hwy

North →

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EXHIBIT # 3

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Khoa Nguyen. 18600 Gledhill St, Northridge, CA 91324. 626-644-8998.

Chuck Posner
California Coastal Commission
South Coast Area
200 Oceangate, 10th floor
Long Beach, CA 90802-4325
562-590-5071

JUL 12 2004
CALIFORNIA
COASTAL COMMISSION

Re: Supplemental Summer time parking survey for internet café in Redondo Beach.

Dear Mr. Posner,

Attached is a supplemental parking survey that shows actual usage during two weekends of July. Other than the day of July 4th, the results show a normal parking pattern that's consistent with the original survey. Thus, the original parking projection still stands, that only 63% of spaces will be used and 37% empty. Therefore, I request that the commission approves the application for development permit to open the internet café.

Also regarding the security and safety of the café, I phoned and wrote to Redondo Beach police officer Mike Diehr to discuss the issues. After discussing and having seen the fax, he was satisfied that all issues and concerns were addressed and resolved. Enclosed is the written communication faxed to him.

For any questions, feel free to call me at 626-644-8998 or 818-993-4351. Thank you for your time and effort.

Sincerely,



Khoa Nguyen
Representative for applicant
Quan Nguyen, 2019 Graham Ave, Redondo Beach, CA 90278.

7/12/04

Date

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EXHIBIT # 4

PAGE 1 OF 5

Supplemental Parking Analysis
King Harbor Plaza
531 - 715 Pacific Coast Highway. 1010 N. Catalina Ave.

As requested by Mr. Charles Posner of the California Coastal Commission, an additional two-weekend survey, supplemental to the original one, was conducted to determine actual parking usage at King Harbor Plaza during Summer time. One weekend included 4th of July holiday. Another was just a normal weekend. For each day and at every hour, actual cars parked were counted. The results are as follows:

	Jul 2	Jul 3	Jul 4	Jul 9	Jul 10	Jul 11
	<u>Fri</u>	<u>Sat</u>	<u>Sun</u>	<u>Fri</u>	<u>Sat</u>	<u>Sun</u>
9am	86	88	39	95	100	45
10am	122	139	76	108	161	69
11am	158	177	107	150	190	102
12pm	176	222	122	171	219	133
1pm	177	217	96	179	209	159
2pm	173	208	98	185	199	146
3pm	158	197	84	170	203	147
4pm	175	180	70	175	187	158
5pm	172	178	61	179	176	135
6pm	186	168	62	186	172	123
7pm	215	150	67	194	173	129
8pm	149	124	66	184	150	108
9pm	109	114	103	111	104	50
10pm	81	82	15	69	65	25
11pm	0	0	0	0	0	0
12am	0	0	0	0	0	0
1am	0	0	0	0	0	0
2am	0	0	0	0	0	0
peak:	215	222	122	194	219	159
peak %:	54%	55%	30%	48%	55%	40%

The summary of data shows that highest usage for two weekends is 55% (222 cars / 401 spaces), occurred on Saturday, July 3rd, at 12pm. On July 4th, parking at the shopping center was low, only 2/3 of normal, due to the public spending the holiday elsewhere. Also, there was an abnormal increase in parking around 9pm, up to 103 from a normal 40-50s range, attributed to spectators attending a fireworks show near the King Harbor. Other than that, parking usage for these weekends exhibits normal parking pattern, showing slightly over half of the lot occupied, leaving the other half empty. This latest data reinforces the original parking projection, which is the highest usage will be 63% of total spaces used and 37% of parking lot empty.

Based on this survey and the original one, all of which show generous parking capacity at the shopping center, IActiveNet requests that the California Coastal Commission approves the application for development permit to open the internet café.

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EXHIBIT # 4

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February 23, 2004

To: Officer Mike Diehr
Redondo Beach Police Dept
310-379-2477 x2493
fax: 310-937-6627

From: Khoa Nguyen
Entrepreneur
626-644-8998

Re: Internet Café business

Dear officer Diehr,

Per our conversation about an internet café I plan to open at 1010 N. Catalina Ave (located at Redondo Marine & Hardware store, in King Harbor Plaza), the Planning Dept asks me to present and discuss any issues with the police dept regarding the business and operations of the internet café.

The most important issues relate to public safety and security. As such, I plan to operate the café as follows:

- The café will have large windows for easy viewing from the outside.
- After hours, the interior will be lit for easy viewing.
- Security cameras will be installed, run and taped during business hours.
- The café will have a burglar alarm system.
- Rules of proper conduct will be established and enforced, such as no loitering, no arguing, no swearing permitted.
- During school hours, business will be restricted to students up to 16 years of age.
- There will be filtering software to prevent access to pornographic websites.
- Frequent customers will register name, address and phone number for future reference.
- The café plans to operate from 9am morning to 2am evening, every day.
- The café will have 82 PCs to access the Internet.
- There will be a system administrator and a cashier tending the café at all time.

Also attached is a business plan that describes the café's business in detail. If you have additional issues or concerns, please let me know. I will do everything to comply with the Police's concerns to ensure the public health, safety, and welfare of the community.

After discussion, I request that the Police Dept write a statement, stating that the Police is satisfied with the internet café's mode of operation, and that all safety and security issues have been addressed, discussed and resolved. I can present this statement to Planning Dept to get approval for business permit.

Feel free to contact me for any questions. Thank you for your time.

Sincerely,
Khoa Nguyen

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EXHIBIT # 4

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Business Plan
IActiveNet
Internet Cafe

Statement of Purpose

This business plan describes the startup of IActiveNet, an internet café business.

Contact

For any questions, contact Khoa Nguyen.

Khoa Nguyen (general mgr). 626-644-8998. 19600 Gledhill St, Northridge, CA 91324.

Quan Nguyen (partner). 310-937-0035. 2019 Graham Ave, Redondo Beach, CA 90278.

Vinh Pham (partner). 310-676-9960. 4857 W 134th Place, Hawthorne, CA 90250.

Background

The Internet has become so important, that it is considered as essential as the telephone and the television. Everywhere people from all walks of life access the Internet for news, for information, for communication, for business, for education, for entertainment. Hence, access to the Internet, at any time and anywhere, becomes a must. It is the objective of IActiveNet to provide the public with such an access point.

The Business

IActiveNet plans to open a cafe that provides internet access. At the café, a customer may learn about the Internet, browse the web, access email, play online games, send instant messages (chat online), process word documents and spreadsheets, print documents and pictures, and conduct business transactions. A customer may also hook up a laptop at the café to access the Internet.

Services and Products

The café offers internet access, document printing, online games, snacks and drinks. It will have about 82 PC terminals, connected to high-speed communication line. A customer pays for access on an hourly basis. As a frequent customer, one may purchase a day pass to access all day, while paying a lowest price. The cafe will also offer ready-to-eat snacks and canned beverages. No food preparation will be done on premise. To assist beginners, free educational classes about the Internet will be offered.

Mode of Operation

The café plans to operate seven days a week, from 9AM morning to 2AM evening each day. Tending the cafe will be a cashier and a system administrator, who will oversee the operations of PCs and communication equipment. A cashier's responsibilities include collecting payments, assisting customers with technical issues, educating beginners how to use the Internet and software, and handling snacks and drinks.

The Market

The café caters to both young and old adults, whose ages range from 13 to 60. The main customers will be young adults, who will use the Internet for entertainment, education and social activities, the rest for work and business. The café expects most customers to be area residents and workers, and the rest out-of-town visitors.

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EXHIBIT # 4
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Marketing Plan

The café will initially advertise in direct mailers, in newspapers, in other media, and using other methods. Once operational, the café anticipates attracting new customers by word of mouth. The café will offer free access hours or free snack and drink to new customers and to those who recruit them. To acquire additional customers, the café plans to run promotions and to offer discounts periodically.

Competition

There are about four cafes in the region competing against IActiveNet. While retaining its base customers, the café plans to lure new customers from the other cafes by offering fast PCs, fast communication line, pleasant and spacious atmosphere, all at competitive prices. Four competing cafes are:

- Rivalution. 1000 Torrance Blvd, unit C, Redondo Beach. 310-543-0773.
- PC Interactive. 4727 Artesia Blvd, #105A, Lawndale.
- Cyberria. 15526 Crenshaw Blvd, Gardena. 310-767-1024.
- Internet PC Club. 1451 W Artesia Blvd, #3, Gardena. 310-324-5525.

Business Risks

The risks include lack of customers from the area and competition from other cafes. The cafe expects a strong demand for its services from nearby residents. Being the only one at its location, the café will not expect fierce competition.

Business Organization

The café will incorporate as a limited liability company (LLC). Three persons - Quan Nguyen, Khoa Nguyen and Vinh Pham - will be the company's main officers and shareholders.

Management and Personnel

The staff will consist of cashier and system administrator. The company officers will contribute equally in daily management of the café.

Capital Funding

The company officers will contribute in equal amount and wholly fund this startup with their own money.

Schedule of Construction

From the date of application for business permit, the café may take up to three months to obtain the permit and following four months to build, a total of seven months.

Summary

IActiveNet is an internet café that provides a valuable service to area residents. The Internet has become an important part of daily life. By using state-of-the-art computer equipment and creating a pleasant atmosphere, the café offers its customers a satisfying internet experience. As technology improves and the public demand for internet access grows, the city and its residents will benefit the most.

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