

MEETING DATE: 05.23.11

AGENDA ITEM: Introduction of an Ordinance (Zoning Code Amendment ZCA P-2009183) to amend the Culver City Municipal Code to reduce building height and increase setback requirements in the commercial zones to address issues of compatibility with abutting residential zones.

ATTACHMENTS

	<u>Pages</u>
1. Draft Ordinance No. 2011-_____, Zoning Code Amendment, ZCA P-2009183	1-3
2. Planning Commission Minutes May12 th and October 27 th 2010	4-16
3. Zoning Code Section 17.220.020 Table 2-6 Commercial Zoning District Development Standards	17
4. Zoning Code Section 17.220.035 Commercial Downtown District Requirements	18-19
5. Exhibit A – Proposed Text Changes in “strikethrough/underline” format	20-26
6. Keyser Marston Associates Commercial Setback Analysis dated 9/7/10	27-42

ORDINANCE NO. 2011-_____

A ORDINANCE OF THE CITY OF CULVER CITY, CALIFORNIA, AMENDING TITLE 17, ZONING, OF THE CULVER CITY MUNICIPAL CODE (CCMC), SECTIONS 17.220.020 COMMERCIAL ZONING DISTRICT DEVELOPMENT STANDARDS, TABLE 2-6 AND FIGURE 2-1 AND CCMC SECTION 17.220.035 COMMERCIAL DOWNTOWN (CD) DISTRICT REQUIREMENTS.

(Zoning Code Amendment P-2009183)

WHEREAS, the City Council directed staff to initiate a zoning code amendment to the Commercial Zoning District Development Standards to reduce building height and increase setback requirements in the commercial zones to address issues of compatibility with abutting residential zones to match those for mixed use projects.; and

WHEREAS, on May 12, 2010 and October 27, 2010 the Planning Commission conducted a duly noticed public hearing on Zoning Code Amendment, ZCA P-2009183 fully considering all reports, studies, testimony, and environmental information presented; and

WHEREAS, following conclusion of the public discussion and thorough deliberation of the subject matter, the Planning Commission determined by a vote of 5 to 0 that recommended that the City Council disapprove Zoning Code Amendment, ZCA P-2009183; and

WHEREAS, on May 23, 2011, the City Council conducted a duly noticed public hearing on the Zoning Code Amendment, ZCA P-2009183, fully considering all reports, studies, testimony, and environmental information presented; and

WHEREAS following conclusion of the public discussion and thorough deliberation on the subject matter, the City Council determined by a vote of ____ to ____ that Zoning Code Amendment, ZCA P-2009183 shall be adopted as set forth herein below.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, DOES HEREBY ORDAIN as follows:

ATTACHMENT 1

SECTION 1. Pursuant to the foregoing and as outlined in CCMC Title 17, Section 17.620.030 of the CCMC, the following findings for a Zoning Code (Text) Amendment are hereby made:

1. ZCA P-2009183 ensures and maintains internal consistency with the goals, policies, and strategies of the General Plan and will not create any inconsistencies with the Zoning Code.

2. ZCA P-2009183 is not detrimental to the public interest, health, safety, convenience and welfare of the City in that the amendment reduces height and setback provisions intended to make commercial projects more compatible with surrounding uses and protect adjacent residential neighborhoods.

3. Pursuant to Sections 15162 and 15168 of the California Environmental Quality Act, (CEQA), the Planning Commission determines ZCA P-2009183 is within the scope of the Culver City General Plan Update Program EIR approved on September 24, 1996 (PEIR 1) and the Culver City Redevelopment Plan Amendment and Merger Program Subsequent EIR approved on November 16, 1998 (PEIR 2), the circumstances under which PEIR 1 and PEIR 2 were prepared have not significantly changed and no new significant information has been found that would impact either PEIR 1 or PEIR 2, and no new environmental analysis is required.

SECTION 2. Pursuant to the foregoing recitations and findings, the City Council of the City of Culver City, California, hereby adopts Zoning Code Amendment (ZCA P-2009183) as set forth in Exhibit "A" attached hereto and incorporated herein by reference.

SECTION 3. Pursuant to Section 619 of the City Charter, this Ordinance shall take effect thirty (30) days after the date of its adoption. Pursuant to Sections 616 and 621 of the City Charter, prior to the expiration of fifteen (15) days after the adoption, the City Clerk shall cause

ATTACHMENT 1

1 this Ordinance, or a summary thereof, to be published in the Culver City News and shall post this
2 Ordinance or a summary thereof in at least three places within the City.

3 **SECTION 4.** The City Council hereby declares that, if any provision, section,
4 subsection, paragraph, sentence, phrase or word of this ordinance is rendered or declared invalid
5 or unconstitutional by any final action in a court of competent jurisdiction or by reason of any
6 preemptive legislation, then the City Council would have independently adopted the
7 remaining provisions, sections, subsections, paragraphs, sentences, phrases or words of this
8 ordinance and as such they shall remain in full force and effect.
9

10
11 APPROVED and ADOPTED this _____ day of _____, 2011.
12

13
14 _____
15 MICHEÁL O' LEARY, Mayor
16 City of Culver City, California

17 ATTEST:

APPROVED AS TO FORM:

18
19 _____
20 MARTIN COLE,
City Clerk

21 _____
22 CAROL A. SCHWAB,
City Attorney

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29 A11-00240

ATTACHMENT 2

REGULAR MEETING
OF THE PLANNING COMMISSION
CITY OF CULVER CITY,
CALIFORNIA

May 12, 2010
7:00 p.m.

Call to Order & Roll Call

The meeting of the Planning Commission was called to order at 7:00 p.m.

Present: John Kuechle, Chair
Linda Smith Frost, Vice Chair
Anthony Pleskow, Commissioner
Scott Wyant, Commissioner
Marcus Tiggs, Commissioner

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Pledge of Allegiance

Thomas Gorham, Planning Manager, led the Pledge of Allegiance.

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Comments for Items NOT on the Agenda

Nona.

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Items are listed in the order considered.

Item PH-2

Tentative Tract Map for property located at 13340 Washington Boulevard

Thomas Gorham, Planning Manager, provided a summary of the material of record.

Chair Kuechle invited public participation.

No speakers came forward.

MOVED BY COMMISSIONER TIGGS, SECONDED BY COMMISSIONER WYANT,
AND UNANIMOUSLY CARRIED TO CLOSE THE PUBLIC HEARING.

ATTACHMENT 2

Discussion between staff and the Commission included: a disconnect between the rendering and the live/work designation; the number of employees allowed for the designation; parking requirements; concern that certain information was not provided; and a suggestion to change the wording of the resolution to better reflect the actions of the Commission.

MOVED BY COMMISSIONER WYANT, SECONDED BY COMMISSIONER PLESKOW, AND UNANIMOUSLY CARRIED TO APPROVE AND RECOMMEND TO THE CITY COUNCIL CONDITIONAL APPROVAL OF TENTATIVE TRACT MAP TTM P-2010028, SUBJECT TO THE CONDITIONS OF APPROVALS AS OUTLINED IN RESOLUTION NO. 2010-P003 (ATTACHMENT NO. 1).

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PUBLIC HEARINGS

Item PH-1

Zoning Code Amendment ZCA P-2009183 to amend the Culver City Municipal Code to reduce building height and increase setback requirements in the commercial zones to address issues of compatibility with abutting residential zones

Thomas Gorham, Planning Manager, provided a summary of the material of record.

Discussion between staff and the Commission included: the initiation of the application and notice period for Zoning Code Amendments; the budget adoption process; the adopted work plan; the IL and IG zones; setbacks; entitlements; economic impacts; the mixed use ordinance; the zoning envelope; flexibility of design; setbacks vs. height; privacy for abutting residential properties; the tipping point; lease-able area; the commercial zero setback overlay; ordinances creating patterns over the course of time; City discretion regarding the five-foot setback; increased building articulation; a process that allows for variation; rear and mandated setbacks; the TOD area; terraced areas and open space; public input; community benefits; providing certainty to the process; the 9900 project as a driver of some of the changes; elevation at the rear of the 9900 project; the 60 degree clear zone currently in place; concrete examples; transitional lots; and a suggestion to clarify in the diagram that there are no restrictions on a second lot over and above everything else.

ATTACHMENT 2

Chair Kuechle invited public participation.

The following members of the audience addressed the Commission:

Saul Saulkin expressed concern with property values and wanted properties on Washington Boulevard from Glencoe on the east and Del Rey on the west to be exempt.

Sol Blumenfeld, Community Development Director, clarified that Mr. Saulkin owned a split lot property on the western side of the City and his property would be exempt from the process.

Thomas Gorham, Planning Manager, read a written comment from:

Julie Lugo Cerra

Steve Rose, Chamber of Commerce, felt the proposed amendment was a step in the right direction and he agreed with comments from Commissioner Pleskow regarding setbacks on the street side noting that while there could be negative economic impact, the permitting process would be expedited.

MOVED BY VICE CHAIR SMITH FROST, SECONDED BY COMMISSIONER PLESKOW, AND UNANIMOUSLY CARRIED TO CLOSE THE PUBLIC HEARING.

Discussion between staff and the Commission included: concern regarding the economic impact of the proposed amendment and the amount of square footage lost; mixed use changes and issues; the importance of facilitating the approval process; avoiding controversy between homeowners and commercial developers; concern with favoring non-mixed use development over other types of development; treating all commercial development the same; concern that the terraces will not be used and a suggestion to encourage usage as greenspace; support for simplifying the process; community benefit; architectural styles; compatibility with abutting areas; different standards for non-mixed use development vs. mixed use; the 60 degree clear zone; consistency; the five-foot setback; providing options to articulate the rear sections and requiring developers to be accountable for that; discretionary review; subjective guidelines; corner lots vs. mid-block lots; setbacks adjacent to residential; the maximum building envelope; the four-sided architecture requirement in the mixed use ordinance; the intent of the five-foot setback and the importance of diversity; addressing the canyon effect; street

ATTACHMENT 2

medians; the affect of the market on development; commercial vs. mixed use projects; using extra caution to regulate commercial projects; development limitations; costs involved vs. benefits; whether the 9900 Culver project and other previous projects would have met the new requirements; the tipping point; residual effects on the leaseable areas and taxes not collected; property values; the amount of certainty for the developer; increasing buy in; outreach efforts; the importance of establishing clear parameters; articulated setbacks; whether there is a community consensus for change; privacy issues; providing more protection for the neighbors; whether the public understands the changes; concern with reducing the height of what can be built in 85% of the City and hurting development; discouraging mixed use; quantifying the GLA; basing decisions on more than economic effect; variations in the amount of development and tax revenue; multi-use vs. mixed use; the importance of different building types; the tax structure of the City; the differing burden created for the City with mixed use vs. commercial; quantifying mixed use; concern with inconsistencies between different types of development; redistribution of massing and lot massing; increasing the height limits; and a suggestion to defer action and get more information.

Commissioners discussed additional information they wanted to see including: an economic spreadsheet; whether recently approved projects would qualify under the proposed guidelines; the property tax discrepancy between Culver City and the rest of the state; and general answers as to how much potential square footage the City would lose if the guidelines are approved.

Sol Blumenfeld, Community Development Director, described the process to provide theoretical information on how much square footage could be lost with the proposed amendment.

Additional discussion between staff and the Commission included: agreement to accept order of magnitude numbers; the five-foot setback at the front; how much the five-foot setback would offset the problem; commercial lots adjoining residential lots in Los Angeles with a 40-foot height limit; a suggestion to clarify the definition of residential lots; exceptions and exemptions; the current mixed use ordinance; split lot jurisdiction; efforts to reduce arbitrary-ness; basing development on build-ability rather than what is on the site; timing issues; and direction to investigate adjacency with buildings that exceed 30 feet in Los Angeles.

ATTACHMENT 2

MOVED BY COMMISSIONER TIGGS, SECONDED BY COMMISSIONER PLESKOW
AND UNANIMOUSLY CARRIED TO CONTINUE THE PUBLIC HEARING TO JUNE
9, 2010.

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Item A-1

**Zoning Code Amendment ZCA P-2009069 and Negative Declaration
to amend the Culver City Municipal Code to allow for the
expansion of existing private schools located in the
Industrial General zone subject to approval of a modification
to an existing Conditional Use Permit**

Commissioner Pleskow recused himself and exited Council
Chambers.

MOVED BY COMMISSIONER WYANT AND SECONDED BY VICE CHAIR SMITH
FROST TO APPROVE AND ADOPT THE RESOLUTION, RECOMMENDING THE
NEGATIVE DECLARATION AND INITIAL STUDY NOT BE APPROVED AND THE
TEXT AMENDMENT BE DENIED.

The motion carried by the following vote:

AYES: Kuechle, Smith Frost, Wyant
NOES: Tiggs
RECUSED: Pleskow

Commissioner Pleskow returned to Council Chambers.

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CONSENT CALENDAR

Item C-1

Secretary's Report

MOVED BY COMMISSIONER TIGGS, SECONDED BY COMMISSIONER WYANT,
AND UNANIMOUSLY CARRIED THAT THE PLANNING COMMISSION RECEIVE
AND FILE THE REPORT OF THE SECRETARY REGARDING POSTING OF THE
AGENDA FOR THIS MEETING.

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Item C-2

ATTACHMENT 2

Meeting Minutes

MOVED BY COMMISSIONER WYANT AND SECONDED BY COMMISSIONER TIGGS
TO APPROVE THE MEETING MINUTES OF MARCH 24, 2010.

AYES: Kuechle, Pleskow, Tiggs, Wyant
NOES: None
ABSTAIN: Smith Frost

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Items from Staff

Thomas Gorham, Planning Manager, announced that Sherry Jordan
was retiring after 30 years with the City.

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Items from Commissioners

Chair Kuechle discussed the email from Julie Lugo Cerra and
received clarification that her recommendations would be
covered by the standard form resolution language:

Sol Blumenfeld, Community Development Director, indicated that
staff would bring the item back in July and he noted that the
actual standard conditions would go to the Council.

Chair Kuechle asked that the information be distributed as
early as possible as it is technical.

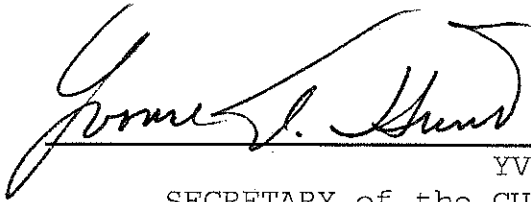
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Adjournment

There being no further business, at 9:48 p.m. the Culver City
Planning Commission adjourned to the next regular

meeting on Wednesday, June 9, 2010, at 7:00 p.m. in the
Mike Balkman Council Chambers.

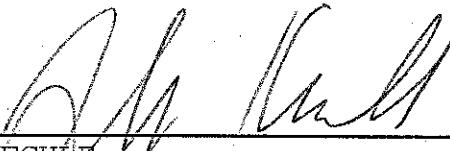
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10/27/10

YVONNE D. HUNT
SECRETARY of the CULVER CITY PLANNING COMMISSION

APPROVED _____



10/27/10

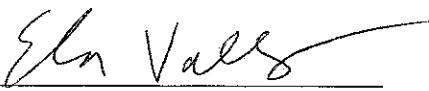
JOHN KUECHLE
CHAIR of the CULVER CITY PLANNING COMMISSION
City of Culver City, California

I declare under penalty of perjury under the laws of the
State of California that, on the date below written, these
minutes were filed in the Office of the City Clerk, City of
Culver City, California and constitute the Official Minutes
of said meeting.

Martin R. Cole
CITY CLERK

10-28-10

Date

By: 

Ela Valladares
Deputy City Clerk

ATTACHMENT 2

REGULAR MEETING
OF THE PLANNING COMMISSION
CITY OF CULVER CITY,
CALIFORNIA

October 27, 2010
7:00 p.m.

Call to Order & Roll Call

The meeting of the Planning Commission was called to order
at 7:02 p.m.

Present: John Kuechle, Chair
Linda Smith Frost, Vice Chair
Anthony Pleskow, Commissioner
Marcus Tiggs, Commissioner

Absent: Scott Wyant, Commissioner (excused)

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Pledge of Allegiance

Thomas Gorham, Planning Manager, led the Pledge of
Allegiance.

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Comments for Items NOT on the Agenda

None.

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Action Items

Item A-1

Election of Officers and Appointment of Committees

Thomas Gorham, Planning Manager, provided direction to the
Commission on the item.

Chair Kuechle invited nominations.

MOVED BY COMMISSIONER TIGGS AND SECONDED BY CHAIR KUECHLE
THAT VICE CHAIR SMITH FROST SERVE AS CHAIR OF THE PLANNING
COMMISSION AND COMMISSIONER PLESKOW SERVE AS VICE CHAIR FOR
THE 2010-2011 TERM. THE MOTION CARRIED BY THE FOLLOWING
VOTE:

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: Kuechle, Pleskow, Smith Frost, Tiggs
NOES: None
ABSENT: Wyant

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PRESENTATIONS

Item P-1

Presentation of the Draft Culver City Bicycle and Pedestrian Master Plan

John Rivera, Senior Management Analyst, provided a summary of the material of record.

Discussion between staff and the Commission included: actions planned for the November 8, 2010 meeting; the circulation element; and clarification that the Bike Plan is an implementation tool of the General Plan.

Thomas Gorham, Planning Manager, read a written statement provided by absent Commissioner Wyant.

Chair Smith Frost invited public participation.

The following members of the audience addressed the Planning Commission:

Dino Parks reported serving on the Public Advisory Committee and expressed support for the plan.

David Hockey served on the Public Advisory Committee; expressed support for the plan; acknowledged the work of staff; discussed efforts to involve residents; noted that the plan addressed many safety issues and enhanced the livability of the City; and he asked the Commission to support the plan.

Laura Segal served on the Public Advisory Committee; expressed support for the plan; felt that bicycle and pedestrian issues would be considered now in any future planning decisions for the City; and she felt the plan fit together well with the Safe Routes to School grant.

Meghan Sahli Wells, Bicycle and Pedestrian Advisory Committee, thanked staff and residents for their diligent work; discussed outreach efforts; hiring a mobility coordinator to go after grants and coordinate between departments; and she announced the formation of the Culver City Bicycle Coalition which are bike advocates in the community and future community partners to keep education going.

Catherine Yanda applauded the study and asked for more outreach to the disabled community.

Seeing no more speakers, Chair Smith Frost closed the public hearing.

A discussion followed between the Commission and staff regarding the unique shape of the City and how the plan interacts with Los Angeles; options outside of Culver City; connectivity to the region; proposed routes in the LA Plan; Expo Station access; different skill levels of riders; adding more facilities; Los Angeles facilities; the large number of transit trips; promoting cycling as an alternate mode of transportation; priorities; providing an alternative route to the Expo Station; community workshops; the cost benefit analysis; goals of the master plan; creation of the routes; supporting the overall urban design concept; identifying areas of highest utilization; supporting documentation for grant applications; pedestrian projects; pros and cons of re-striping intersections; effects of the implementation of the West Washington median plan on traffic; slowing traffic in the area; raising the awareness of drivers about pedestrians and cyclists; concerns with riding down Venice Boulevard; and praise to staff for their hard work.

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PUBLIC HEARINGS

Item PH-1

Zoning Code Amendment ZCA P-2009183 to amend the Culver City Municipal Code to reduce building height and increase setback requirements in the commercial zones to address issues of compatibility with abutting residential zones

Thomas Gorham, Planning Manager, provided a summary of the material of record.

Sol Blumenfeld, Community Development Director, discussed the financial impacts analysis and addressed a written inquiry from absent Commissioner Wyant.

Discussion between staff and the Commission included: the analysis by KMA; the use of consultants; Commission options; origins of the item; the significance of the outcome; the staff recommendation; concerns with effects to property values; creating a balanced relationship between the economic viability of the sites and their compatibility with adjoining communities; alternatives; the mixed use ordinance; community input; concern with a lack of development in the City; an analysis of recently traded properties; origins of the figures used in the analysis; clarification regarding City Council direction; and findings for mixed use vs. multiple use properties.

Chair Smith Frost invited public participation.

No speakers came forward.

Thomas Gorham, Planning Manager, read written comments from:

Scott Wyant
Steven Rose

MOVED BY COMMISSIONER TIGGS AND SECONDED BY VICE CHAIR PLESKOW TO CLOSE THE PUBLIC HEARING. THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: Kuechle, Pleskow, Smith Frost, Tiggs
NOES: None
ABSENT: Wyant

Discussion between staff and the Commission included: clarification that no issue regarding legal notice existed; reluctance to move forward; appreciation for information provided; and concern with negative impacts to recycling and redevelopment.

MOVED BY COMMISSIONER KUECHLE AND SECONDED BY COMMISSIONER TIGGS THAT THE PLANNING COMMISSION RECOMMEND THAT THE CITY COUNCIL DISAPPROVE THE ZONING CODE AMENDMENT. THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: Kuechle, Pleskow, Smith Frost, Tiggs
 NOES: None
 ABSENT: Wyant

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CONSENT CALENDAR

Item C-1

Secretary's Report

MOVED BY COMMISSIONER KUECHLE AND SECONDED BY COMMISSIONER TIGGS THAT THE PLANNING COMMISSION RECEIVE AND FILE THE REPORT OF THE SECRETARY REGARDING POSTING OF THE AGENDA FOR THIS MEETING. THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: Kuechle, Pleskow, Smith Frost, Tiggs
 NOES: None
 ABSENT: Wyant

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Item C-2

Meeting Minutes

MOVED BY COMMISSIONER KUECHLE AND SECONDED BY VICE CHAIR PLESKOW TO APPROVE THE MEETING MINUTES OF APRIL 28, 2010. THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: Kuechle, Pleskow, and Smith Frost
 NOES: None
 ABSENT: Wyant
 ABSTAIN: Tiggs

Regarding the meeting minutes of May 12, 2010, Commissioner Kuechle asked to add wording to the resolution on page 5 of 7, under item A-1 so that the resolution would read: Moved by Commissioner Wyant and seconded by Vice Chair Smith Frost to approve and adopt the resolution recommending that the initial study and negative declaration not be approved and that the zoning text amendment be denied."

MOVED BY COMMISSIONER KUECHLE AND SECONDED BY COMMISSIONER TIGGS TO APPROVE THE MEETING MINUTES OF MAY 12, 2010 AS AMENDED. THE MOTION CARRIED BY THE FOLLOWING VOTE:

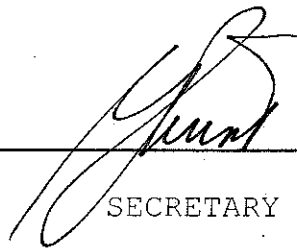
AYES: Kuechle, Pleskow, Smith Frost, and Tiggs

October 27, 2010

ATTACHMENT 2

meeting on Wednesday, November 10, 2010, at 7:00 p.m. in
the Mike Balkman Council Chambers.

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YVONNE D. HUNT
SECRETARY of the CULVER CITY PLANNING COMMISSION

APPROVED



12/8/10
(Anthony Plestow, Vice Chair)

LINDA SMITH FROST
CHAIR of the CULVER CITY PLANNING COMMISSION
City of Culver City, California

I declare under penalty of perjury under the laws of the
State of California that, on the date below written, these
minutes were filed in the Office of the City Clerk, City of
Culver City, California and constitute the Official Minutes
of said meeting.

Martin R. Cole
CITY CLERK

Date

12-27-10

By:



Ela Valladares
Deputy City Clerk

Commercial Zoning Districts

17.220

Table 2-6
Commercial District Development Standards (CN, CG, CC, CD)

Development Feature	Requirement by Zoning District			
	CN	CG	CC	CD
Minimum lot area	Minimum lot area determined through subdivision review process.			
Residential development	Subject to the requirements of Live/Work Development Standards (Section 17.400.060) and/or the Mixed Use Development Standards (Section 17.400.065).			
Setbacks	Minimum setbacks required. See Section 17.300.020 (Setback Regulations and Exceptions).			
Street facing	None Required.			None Required. (1)
Side	None Required.			
Side Adjacent to Residential Zone	For first 15 ft of building height: 10 ft required. For portions of structure above 15 ft in height a 60 degree clear zone angle must be maintained, measured from 15 ft above the existing grade and from 10 feet from the side property line. (2)			
Rear	None Required.			
Rear Adjacent to Residential Zone	For first 15 ft of building height: 10 ft required. For portions of structure above 15 ft in height a 60 degree clear zone angle must be maintained, measured from 15 ft above the existing grade and from 10 ft from the rear property line. (2)			
Alley	2 ft The width of an alley may be credited toward the setback requirement for properties adjacent to residential zones.			
Height limit (3)	43 ft	56 ft (4)	56 ft (4)	See CD District Requirements: Section 17.220.035.
Landscaping	As required by Chapter 17.310 (Landscaping).			
Parking and loading	As required by Chapter 17.320 (Off-Street Parking and Loading).			See CD District Requirements Section 17.220.035 and Chapter 17.320.
Signs	As required by Chapter 17.330 (Signs).			

Notes:

- (1) Except in compliance with the *Design for Development of the Downtown Area*. No setback shall be provided for at least 75% of any new exterior building wall resulting from the addition of building floor area along the east and west sides of Main St., the north side of Culver Blvd. between Canfield and Duquesne Aves., and both sides of Washington Blvd. between Watseka and Hughes Aves.
- (2) See Figure 2-1 (Commercial Setback Adjacent to Residential Zone).
- (3) See Section 17.300.025 (Height Measurement and Height Limit Exceptions).
- (4) This provision is as approved by Initiative Ordinance No. 90-013½ adopted April 17, 1990, or as may be amended.

17.220.035 - Commercial Downtown (CD) District Requirements

Land uses allowed within the CD zoning district by Table 2-5 (Allowed Uses and Permit Requirements for Commercial Zoning Districts) shall comply with the following provisions, in addition to the development standards in Section 17.220.020 (Commercial Zoning District Development Standards) and all applicable provisions of Article 3 (Site Planning and General Development Standards).

A. Ground Floor Restriction. Land uses shown in Table 2-5 (Allowed Uses and Permit Requirements for Commercial Zoning Districts) as being subject to ground floor restrictions shall not be located on the ground floor of any building, in the following locations;

1. Both sides of Main Street;
2. The north side of Culver Boulevard from Canfield Avenue to Duquesne Avenue;
3. Both sides of Washington Boulevard between Watseka Avenue and Hughes Avenue; and
4. The Culver Boulevard and Washington Boulevard frontages of the Town Plaza and Town Park areas, except where other uses are allowed by the Culver City Redevelopment Agency in an Owner-Participation Agreement or a Disposition and Development Agreement.

Exemptions from ground floor use or design restrictions may be granted for designated historic structures when it can be demonstrated, by substantial evidence, that such restrictions would seriously compromise the economic viability or architectural integrity of the building.

B. Height Requirements.

1. The greater of 2 stories or 30 feet on either side of Main Street, except for the southerly 80 feet (north of Culver Boulevard.).
2. The greater of 3 stories or 44 feet along the southerly 80 feet of Main Street (north of Culver Boulevard), on the north side of Culver Boulevard from Canfield to Duquesne Avenues, and on the north or south sides of Washington Boulevard between Watseka and Hughes Avenues; or
3. 56 feet for all other areas, except for buildings within the Town Park and Town Plaza areas, which are governed by the Design for Development for the Downtown area.

C. Parking Requirements. In the event the downtown parking demand exceeds the pooled parking supply, as reasonably determined by the Director, all new buildings or proposed intensification of uses in the CD Zone shall be required to provide parking on-site or as otherwise permitted in this Section and Title.

1. Retail stores, and similar uses: 1 parking space for each 400 square feet of gross floor area.
2. Restaurant uses:

- a. General Table Service (1,500 square feet or less); 1 parking space for each 350 square feet of gross floor area with a minimum of 3 spaces.
 - b. General Table Service (greater than 1,500 square feet); 1 parking space for each 100 square feet of gross floor area.
 - c. Takeout (Counter Service) with customer tables; 1 parking space for each 75 square feet of gross floor area with a minimum of 8 spaces.
 - d. Takeout (Counter Service) no tables; 1 parking space per 250 square feet of gross floor area with a minimum of 3 spaces.
3. Outdoor dining areas: No parking required for the first 250 square feet of outdoor dining area. Any outdoor dining area exceeding 250 square feet shall be included as restaurant floor area in determining the parking requirement.
 4. Financial institutions, corporate offices, medical offices and similar uses: 1 parking spaces for each 294 square feet of gross floor area, which requirement may be reduced by the City to 1 parking spaces for each 370 square feet of gross floor area subject to implementation of a Transportation Demand Management program approved by the City.
 5. Theaters: The parking requirement shall be determined by the Director for each facility based on a parking demand/supply study.
 6. Additional parking provisions: When applying the provisions of Section 17.320.025 (Alternative Parking Provisions), the legal walking distance of off-site parking spaces may be extended to allow the utilization of off-street parking areas within the boundaries of the CD Zone or any City off-street parking lot within 750 feet of the CD Zone boundary.
 7. Evening and weekend use: Where the operator of a business provides parking at the levels established in Subsection 17.220.035.C. 1, 2, 3 or 4, the City may require the operator to allow general public use of the parking spaces during evening and weekend hours, where feasible.
- D. Multiplex Theater Amusement Devices.** Amusement devices are permitted in conjunction with a multiplex movie theater complex of at least 10 screens subject to all the following criteria:
1. No more than 10 amusement devices shall be permitted in a complex.
 2. Amusement devices shall be located within the theater complex and used only by theater customers who have purchased tickets.
 3. An amusement area shall not occupy more than 500 square feet of floor area.
 4. An amusement area shall be screened so as not to be generally visible from the exterior of the theater complex.
 5. An amusement area shall be accessible only by means of the main customer entrance for the theater complex.

RESOLUTION NO. 2010-P004

EXHIBIT A

Table 2-6
Commercial District Development Standards (CN, CG, CC, CD)

Development Feature	Requirement by Zoning District			
	CN	CG	CC	CD
Minimum lot area	Minimum lot area determined through subdivision review process.			
Residential development	Subject to the requirements of Live/Work Development Standards (Section 17.400.060) and/or the Mixed Use Development Standards (Section 17.400.065).			
Setbacks	Minimum setbacks required. See Section 17.300.020 (Setback Regulations and Exceptions).			
Street facing <u>portion of building 15 ft or less in height</u>	None Required (5)			None Required (1) (5)
Street facing <u>portion of building greater than 15 ft in height</u>	A 5 ft Setback is required (2)			A 5 ft Setback is required (2)
Side	None Required			
Side or Rear Adjacent to Residential Zone (7)	For first 15 ft of building height: 10 ft required. For portions of structure above 15 ft in height a 60 degree clear zone angle must be maintained, measured from 15 ft above the existing grade and from 10 feet from the side property line. (2) - For portion of building 15 ft or less in height a 10 ft setback is required. (2)(6) - For portion of building greater than 15 ft in height a 60 degree clear-zone angle must be maintained measured from 15 ft above the existing grade and from 10 ft from the side and rear property lines.(2) - Portion of the building greater than 35 ft in height on a parcel adjacent to R1 or R2 zone a 35 ft setback is required. (2)(7) - Portion of building greater than 45 ft in height on a parcel adjacent to R3, RLD, RMD, or RHD zone a 50 ft setback is required. (2)(7)			
Rear	None Required			
Side or Rear Adjacent to Non-Residential Zone (7)	None Required For first 15 ft of building height: 10 ft required. For portions of structure above 15 ft in height a 60 degree clear zone angle must be maintained, measured from 15 ft above the existing grade and from 10 ft from the rear property line. (2)			
Alley	2 ft One half (1/2) The width of an alley may be credited toward the setback requirement for properties adjacent to residential zones.			
Height limit (3)	43-ft	56-ft (4)	56-ft (4)	See CD District Requirements: Section 17.220.035.
Landscaping	As required by Chapter 17.310 (Landscaping).			
Parking and loading	As required by Chapter 17.320 (Off-Street Parking and Loading).			See CD District Requirements Section 17.220.035 and Chapter 17.320. 20
Signs	As required by Chapter 17.330 (Signs).			

HEIGHT (2)(3)				ATTACHMENT 5	
Adjacent to R1 or R2 Zone (7)	Adjacent to R3, RLD, RMD, or RHD Zone (7)	Adjacent to Non-Residential Zone (7)	Split Jurisdiction Lot (9)		
<u>CN, CG, CC & CD Zone</u> • <u>35 ft</u> • <u>45 ft for portion of building 35 ft or more from R1 or R2 zone.</u>	<u>CN Zone</u> • <u>45 ft</u> <u>CG, CC, & or CD Zone</u> • <u>45 ft on lots less than 150 ft in depth</u> • <u>56 ft (4) on lots 150 ft or more in depth</u>	<u>CN Zone</u> • <u>45 ft</u> <u>CG or CC Zone</u> • <u>56 ft (4)</u> <u>CD Zone (8)</u>	<u>CN Zone</u> • <u>45 ft</u> <u>CG or CC Zone</u> • <u>56 ft (4)</u> <u>CD Zone (8)</u>		

Notes:

- (1) Except in compliance with the *Design for Development of the Downtown Area*. No setback shall be provided for at least 75% of any new exterior building wall resulting from the addition of building floor area along the east and west sides of Main St., the north side of Culver Blvd. between Canfield and Duquesne Aves., and both sides of Washington Blvd. between Watseka and Hughes Aves.
- (2) See Figure 2-1 (Commercial Setback Adjacent to Residential Zone Building Height and Setbacks Illustration).
- (3) See Section 17.300.025 (Height Measurement and Height Limit Exceptions).
- (4) This provision is as approved by Initiative Ordinance No. 90-013½ adopted April 17, 1990, or as may be amended.
- (5) A setback up to 5 ft from the property line may be permitted if the setback area is enhanced with high quality paving material, landscaping or other similar features.
- (6) Adequate screening and landscaping shall be provided.
- (7) Two parcels are considered to be adjacent even if they are separated by an alley.
- (8) See CD District Requirements: Section 17.220.035.
- (9) As used in this section shall mean a lot located on the south side of Washington Boulevard between Del Rey Avenue and Redwood Avenue that is both within the City of Culver City and the City of Los Angeles.

Commercial Zoning Districts

RESOLUTION NO. 2010-P004

EXHIBIT A

Figure 2-1
Commercial Setback Adjacent to Residential Zone

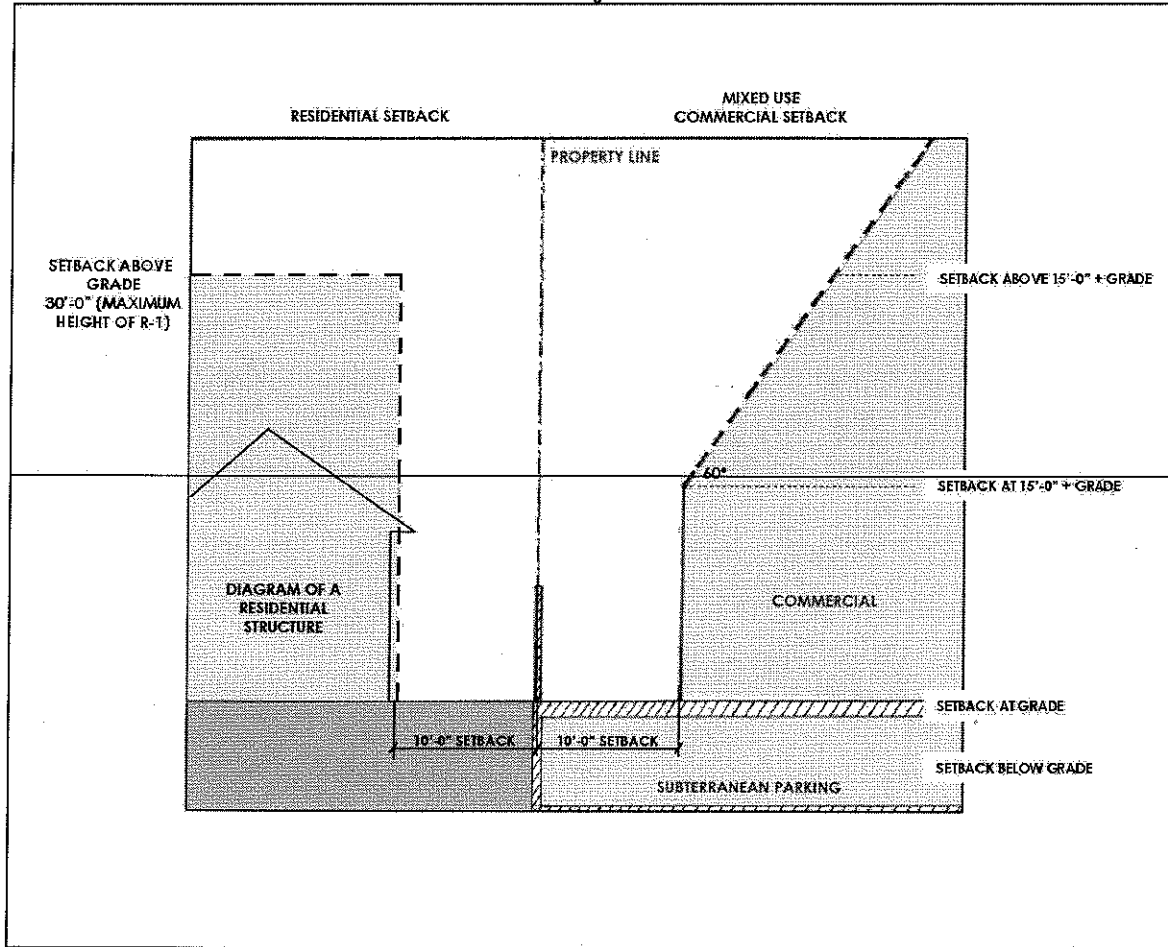
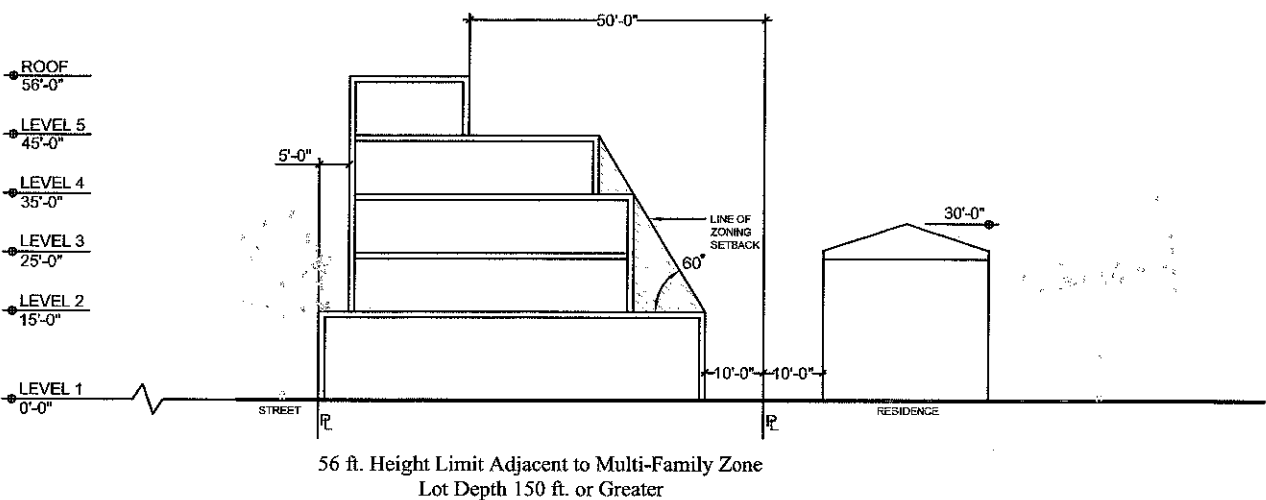
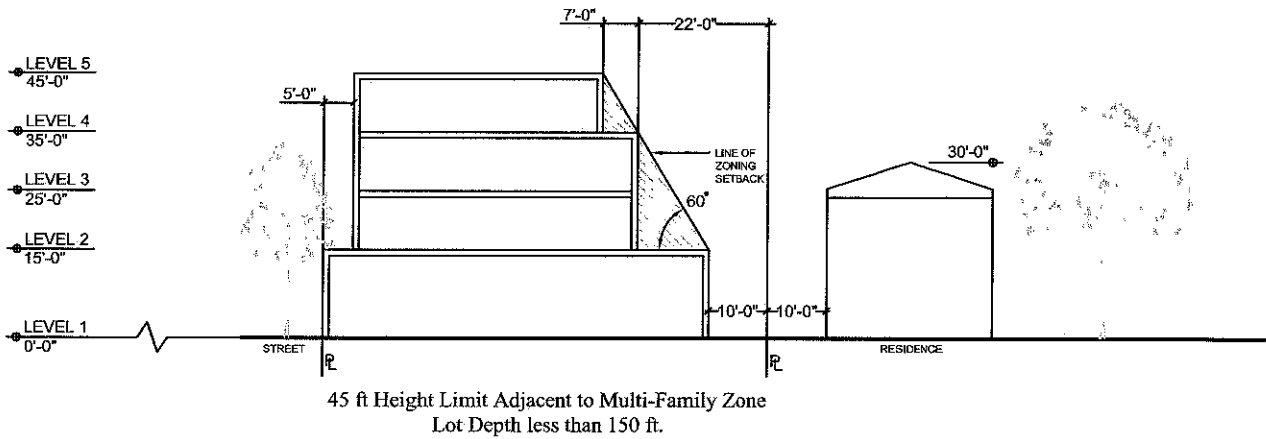
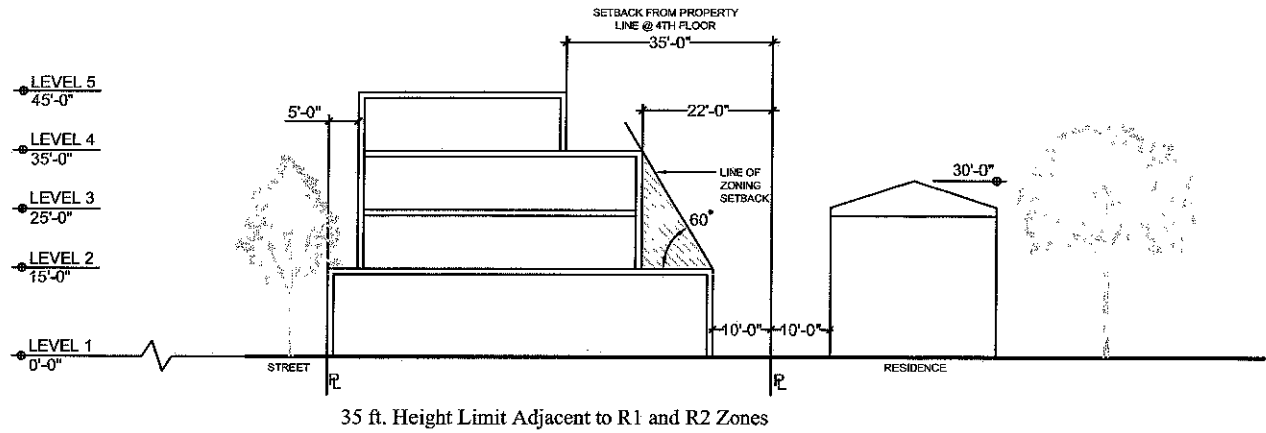


Figure 2-1. Building Height and Setbacks Illustration



RESOLUTION NO. 2010-P004

EXHIBIT A

17.220.035 - Commercial Downtown (CD) District Requirements

Land uses allowed within the CD zoning district by Table 2-5 (Allowed Uses and Permit Requirements for Commercial Zoning Districts) shall comply with the following provisions, in addition to the development standards in Section 17.220.020 (Commercial Zoning District Development Standards) and all applicable provisions of Article 3 (Site Planning and General Development Standards).

A. Ground Floor Restriction. Land uses shown in Table 2-5 (Allowed Uses and Permit Requirements for Commercial Zoning Districts) as being subject to ground floor restrictions shall not be located on the ground floor of any building, in the following locations;

1. Both sides of Main Street;
2. The north side of Culver Boulevard from Canfield Avenue to Duquesne Avenue;
3. Both sides of Washington Boulevard between Watseka Avenue and Hughes Avenue; and
4. The Culver Boulevard and Washington Boulevard frontages of the Town Plaza and Town Park areas, except where other uses are allowed by the Culver City Redevelopment Agency in an Owner-Participation Agreement or a Disposition and Development Agreement.

Exemptions from ground floor use or design restrictions may be granted for designated historic structures when it can be demonstrated, by substantial evidence, that such restrictions would seriously compromise the economic viability or architectural integrity of the building.

B. Height Requirements.

1. The greater of 2 stories or 30 feet on either side of Main Street, except for the southerly 80 feet (north of Culver Boulevard.).
2. The greater of 3 stories or 44 45 feet along the southerly 80 feet of Main Street (north of Culver Boulevard), on the north side of Culver Boulevard from Canfield to Duquesne Avenues, and on the north or south sides of Washington Boulevard between Watseka and Hughes Avenues; or
3. 56 feet for all other areas, except for buildings within the Town Park and Town Plaza areas, which are governed by the Design for Development for the Downtown area.

C. Parking Requirements. In the event the downtown parking demand exceeds the pooled parking supply, as reasonably determined by the Director, all new buildings or proposed intensification of uses in the CD Zone shall be required to provide parking on-site or as otherwise permitted in this Section and Title.

1. Retail stores, and similar uses: 1 parking space for each 400 square feet of gross floor area.
2. Restaurant uses:
 - a. General Table Service (1,500 square feet or less); 1 parking space for each 350 square feet of gross floor area with a minimum of 3 spaces.
 - b. General Table Service (greater than 1,500 square feet); 1 parking space for each 100 square feet of gross floor area.
 - c. Takeout (Counter Service) with customer tables; 1 parking space for each 75 square feet of gross floor area with a minimum of 8 spaces.
 - d. Takeout (Counter Service) no tables; 1 parking space per 250 square feet of gross floor area with a minimum of 3 spaces.
3. Outdoor dining areas: No parking required for the first 250 square feet of outdoor dining area. Any outdoor dining area exceeding 250 square feet shall be included as restaurant floor area in determining the parking requirement.
4. Financial institutions, corporate offices, medical offices and similar uses: 1 parking spaces for each 294 square feet of gross floor area, which requirement may be reduced by the City to 1 parking spaces for each 370 square feet of gross floor area subject to implementation of a Transportation Demand Management program approved by the City.
5. Theaters: The parking requirement shall be determined by the Director for each facility based on a parking demand/supply study.
6. Additional parking provisions: When applying the provisions of Section 17.320.025 (Alternative Parking Provisions), the legal walking distance of off-site parking spaces may be extended to allow the utilization of off-street parking areas within the boundaries of the CD Zone or any City off-street parking lot within 750 feet of the CD Zone boundary.
7. Evening and weekend use: Where the operator of a business provides parking at the levels established in Subsection 17.220.035.C. 1, 2, 3 or 4, the City may require the operator to allow general public use of the parking spaces during evening and weekend hours, where feasible.

D. Multiplex Theater Amusement Devices. Amusement devices are permitted in conjunction with a multiplex movie theater complex of at least 10 screens subject to all the following criteria:

1. No more than 10 amusement devices shall be permitted in a complex.
2. Amusement devices shall be located within the theater complex and used only by theater customers who have purchased tickets.
3. An amusement area shall not occupy more than 500 square feet of floor area.

ATTACHMENT 5

4. An amusement area shall be screened so as not to be generally visible from the exterior of the theater complex.
5. An amusement area shall be accessible only by means of the main customer entrance for the theater complex.



KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO

A. JERRY KEYSER

TIMOTHY C. KELLY

KATE EARLE HUNK

DEBBIE M. KERN

ROBERT J. WETMORE

REED T. KAMAHARA

LOS ANGELES

KATHLEEN H. HEAD

JAMES A. KANE

PAUL C. ANDERSON

GREGORY D. SOO-HOO

KEVIN E. ENGSTROM

JEFF L. ROMNEY

DENISE BICKELSTAFF

SAN DIEGO

GERALD M. TRIMBLE

PAUL C. MARSA

To: Sol Blumenfeld, Director of Community Development
City of Culver City

From: Kathleen Head
Tim Bretz

cc: Thomas Gorham, Deputy Community Development Manager/Planning
Director

Date: September 7, 2010

Subject: Commercial Setback Analysis

At your request, Keyser Marston Associates, Inc. (KMA) prepared a financial evaluation of commercial setback requirements being considered by the City of Culver City (City). To assist in this analysis, the City created four development scenarios for sites that are subject to a variety of base zoning standards. The KMA analysis tests these scenarios with and without the proposed setback requirements to provide order-of-magnitude estimates of the financial impact created by the proposed requirements.

EXECUTIVE SUMMARY

KMA tested the four scenarios based on current economic conditions in the market area. As can be seen in Summary Table 1, none of the scenarios being tested generate a positive land value, which is largely explained by the depressed state of the current real estate market. However, on a relative basis, the results of the KMA analysis indicate that the proposed setback requirement will reduce the supportable land values for properties by amounts ranging from \$14 to \$83 per square foot of land area depending on the site's base zoning.

KMA also tested the scenarios based on economic conditions that will support new development. In the base case scenario of this analysis, KMA estimated the construction costs and rents that would need to be achieved to support a land value of \$100 per square foot of land area. KMA then prepared analyses of the various

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To: Sol Blumenfeld, City of Culver City
Subject: Commercial Setback Analysis

scenarios based on those underlying costs and rents. Under these assumptions, the supportable land values are estimated to decrease from between \$18 to \$111 per square foot of land area depending on the site's base zoning.

It is clear that the proposed commercial setback requirements will impact the values that can be supported by properties that are subject to the proposed setback requirements. This will likely constrain the potential for improved properties to be recycled, and may delay the development of currently vacant properties.

ANALYSIS ASSUMPTIONS

Commercial Setback Scenarios

KMA analyzed the following scenarios with an alternative that includes a five foot setback requirement and an alternative that does not impose any additional setback requirements. The scenarios can be described as follows:

1. Scenario 1 – Existing Zoning Code Standards
2. Scenario 2 – Adjacent to R1 and R2:
3. Scenario 3 – Lot depth less than 150 feet and adjacent to Multi-Family:
4. Scenario 4 – Lot depth greater than 150 feet and adjacent to Multi-Family:

Pro Forma Analysis

KMA prepared pro forma analyses to provide relative comparisons of the land values supported by the various scenarios being tested. It is important to understand that the analyses are based on prototype developments. These estimates would need to be refined to provide an accurate representation of actual development on specific sites.

The pro forma analysis is based on the development allowed by the Existing Zoning Code Standards (Scenario 1). This scenario is used as a benchmark to evaluate the financial impacts created by the proposed commercial setback requirements. The pro forma analysis is presented in Appendix A, and is organized as follows:

Table 1:	Estimated Construction Costs
Table 2:	Stabilized Net Operating Income
Table 3:	Supportable Land Value Calculation

To: Sol Blumenfeld, City of Culver City
Subject: Commercial Setback Analysis

Estimated Construction Costs

KMA estimated the construction costs based on typical costs for the identified uses. A can be seen in Appendix A – Table 1, KMA estimated the total construction costs at \$9.04 million, or \$233 per square foot of gross building area (GBA).

Net Operating Income

The KMA net operating income (NOI) estimates are based on the following assumptions:

1. The gross leasable area (GLA) is equal to 75% of the total GBA;
2. The achievable rent is set at \$2.20 per square foot of GLA per month;
3. A 5% vacancy and collection allowance is applied; and
4. Unreimbursed operating expenses are estimated at \$13 per square foot of vacant space per year.

The resulting NOI is estimated at \$710,700 per year.

Supportable Land Value Calculation

The supportable land value is equal to the difference between the warranted debt and equity contribution, and the estimated construction costs. To estimate the warranted investment, KMA divided the NOI by an 8.0% return on investment. This results in warranted debt and equity investment of \$8.88 million.

The warranted private investment is estimated at \$8.88 million and the construction costs are estimated at \$9.04 million. Thus, the supportable land value for the Existing Zoning Code Standards Scenario is estimated at negative \$152,000.

SCENARIOS TESTING

Each of the scenarios being tested in this analysis include fewer square feet of building area than the development allowed under the Existing Zoning Code Standards Scenario. To test the impact created by the lost space it is necessary to estimate both the reductions in the construction costs and the NOI.

To: Sol Blumenfeld, City of Culver City
Subject: Commercial Setback Analysis

Construction Cost Reductions

KMA reviewed the pro forma analysis to estimate the reduction in construction costs associated with reducing the GBA in the development. These cost reductions apply to the direct construction costs as well as the indirect and financing costs. Based on KMA's review, the cost savings are estimated at \$131 per square foot of lost GBA.

NOI Reductions

The rent per square foot remains unchanged from the Existing Zoning Code Standards Scenario. Therefore, any reduction in the building area will reduce the NOI on a linear basis tied to lost rent at \$2.20 per square foot of lost GBA minus the 5% vacancy and collection allowance and a pro rata share of the unreimbursed operating expenses.

ANALYSIS FINDINGS

Current Economic Conditions

KMA utilized the methodology outlined above to estimate the land values supported by Scenarios 2 through 4. The following table outlines the supportable land values for each of the scenarios (Comparison Table 1):

Setback Scenario	Supportable Land Value / Sf of Land Area	Reduction from Scenario 1
Scenario 1	(\$15)	
Scenario 2		
With Five Foot Setback	(\$98)	\$83
No Additional Setback	(\$84)	\$69
Scenario 3		
With Five Foot Setback	(\$93)	\$78
No Additional Setback	(\$78)	\$63
Scenario 4		
With Five Foot Setback	(\$49)	\$34
No Additional Setback	(\$29)	\$14

Improved Economic Conditions

The results of the KMA analysis are impacted by the current economic downturn in the real estate market. To correct for this, KMA also prepared a financial analysis based on

To: Sol Blumenfeld, City of Culver City
Subject: Commercial Setback Analysis

a more typical economic climate. For the purposes of this analysis, KMA assumed that the land values in Culver City would fall in the range of \$100 per square foot of land area.

Using the Existing Zoning Code Standards Scenario as the basis, KMA solved for the rent that would need to be achieved to generate a \$100 per square foot supportable land value (Appendix B). As can be seen in the Appendix B analysis, KMA estimates that the achievable rent would need to fall within the range of \$2.51 per square foot of GLA per month to reach this target.

KMA prepared comparative pro forma analyses for Scenarios 1 through 4 based on a \$2.51 lease rate. The results are presented in Comparison Table 2 and summarized in the following table:

Setback Scenario	Supportable Land Value / Sf of Land Area	Reduction from Scenario 1
Scenario 1	\$100	
Scenario 2		
With Five Foot Setback	(\$11)	\$111
No Additional Setback	\$8	\$92
Scenario 3		
With Five Foot Setback	(\$4)	\$104
No Additional Setback	\$16	\$84
Scenario 4		
With Five Foot Setback	\$55	\$45
No Additional Setback	\$82	\$18

Conclusions

As shown in the preceding sections of this analysis, the imposition of larger setback requirements negatively impacts the land value that can be supported by impacted properties. Depending on the scenario, the land value reduction ranges from \$14 to \$83 per square foot of land area under current economic conditions, and from \$18 to \$111 per square foot under improved economic conditions.

The proposed setback requirements negatively impact the supportable land value in every scenario tested in this analysis. It can reasonably be concluded that the proposed requirements will affect development opportunities for improved properties as well as currently vacant properties.

To: Sol Blumenfeld, City of Culver City
Subject: Commercial Setback Analysis

ATTACHMENT 6
September 7, 2010
Page 6

COMPARISON TABLE 1

CURRENT LAND VALUE SCENARIO
COMMERCIAL SETBACK ANALYSIS
CULVER CITY, CALIFORNIA

I. Description	Scenario 1	Scenario 2		Scenario 3		Scenario 4	
	Existing Zoning Code	Adjacent to R1 & R2		<150 foot lot depth; adjacent to Multi-Family		>150 foot lot depth; adjacent to Multi-Family	
	Existing Code	5' Setback	No Additional Setback	5' Setback	No Additional Setback	5' Setback	No Additional Setback
II. Project Size							
Sf Gross Buildin Area (GBA) ¹	38,800	30,300	31,800	30,900	32,400	35,400	37,400
Sf Gross Leasable Area (GLA) ²	29,100	22,725	23,850	23,175	24,300	26,550	28,050
III. Construction Costs							
Cost Savings / SF Lost GBA		\$131	\$131	\$131	\$131	\$131	\$131
Total Construction Costs	\$9,036,000	\$7,921,000	\$8,118,000	\$8,000,000	\$8,196,000	\$8,590,000	\$8,852,000
Construction Costs / Sf GBA	\$233	\$261	\$255	\$259	\$253	\$243	\$237
IV. Net Operating Income (NOI)							
NOI / Sf GLA	\$24	\$24	\$24	\$24	\$24	\$24	\$24
Total NOI	\$710,700	\$555,000	\$582,500	\$566,000	\$593,500	\$648,400	\$685,100
V. Threshold Return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
VI. Supportable Land Value							
Supportable Private Investment	\$8,884,000	\$6,938,000	\$7,281,000	\$7,075,000	\$7,419,000	\$8,105,000	\$8,564,000
(Less) Total Construction Costs	(9,036,000)	(7,921,000)	(8,118,000)	(8,000,000)	(8,196,000)	(8,590,000)	(8,852,000)
Supportable Land Value	(\$152,000)	(\$983,000)	(\$837,000)	(\$925,000)	(\$777,000)	(\$485,000)	(\$288,000)
Per Sf Land	(\$15)	(\$98)	(\$84)	(\$93)	(\$78)	(\$49)	(\$29)

¹ Based on information provided by City staff.

² Assumes 25% of the total GBA is attributed to circulation.

Prepared by: Keyser Marston Associates, Inc.
File name: Commercial Setback Analysis_9 7 10; Sum_Base; trb

COMPARISON TABLE 2

BASE SCENARIO @ \$100 PER SF RESIDUAL LAND VALUE
COMMERCIAL SETBACK ANALYSIS
CULVER CITY, CALIFORNIA

I. Description	Scenario 1	Scenario 2		Scenario 3		Scenario 4	
	Existing Zoning Code	Adjacent to R1 & R2		<150 foot lot depth; adjacent to Multi-Family		>150 foot lot depth; adjacent to Multi-Family	
	Existing Code	5' Setback	No Additional Setback	5' Setback	No Additional Setback	5' Setback	No Additional Setback
II. <u>Project Size</u>							
Sf Gross Buildin Area (GBA) ¹	38,800	30,300	31,800	30,900	32,400	35,400	37,400
Sf Gross Leasable Area (GLA) ²	29,100	22,725	23,850	23,175	24,300	26,550	28,050
III. <u>Construction Costs</u>							
Cost Savings / SF Lost GBA		\$131	\$131	\$131	\$131	\$131	\$131
Total Construction Costs	\$9,165,000	\$8,050,000	\$8,247,000	\$8,129,000	\$8,325,000	\$8,719,000	\$8,981,000
Construction Costs / SF GBA	\$236	\$266	\$259	\$263	\$257	\$246	\$240
IV. <u>Net Operating Income (NOI)</u>							
NOI / Sf GLA	\$28	\$28	\$28	\$28	\$28	\$28	\$28
Total NOI	\$813,000	\$634,900	\$666,300	\$647,500	\$678,900	\$741,800	\$783,700
V. <u>Threshold Return</u>	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
VI. <u>Supportable Land Value</u>							
Supportable Private Investment	\$10,163,000	\$7,936,000	\$8,329,000	\$8,094,000	\$8,486,000	\$9,273,000	\$9,796,000
(Less) Total Construction Costs	(9,165,000)	(8,050,000)	(8,247,000)	(8,129,000)	(8,325,000)	(8,719,000)	(8,981,000)
Supportable Land Value	\$998,000	(\$114,000)	\$82,000	(\$35,000)	\$161,000	\$554,000	\$815,000
Per Sf Land	\$100	(\$11)	\$8	(\$4)	\$16	\$55	\$82

¹ Based on information provided by City staff.

² Assumes 25% of the total GBA is attributed to circulation.

Prepared by: Keyser Marston Associates, Inc.
File name: Commercial Setback Analysis_9 7 10; Sum_\$100; trb

APPENDIX A
PRO FORMA - CURRENT ECONOMIC CONDITIONS

TABLE 1A

BASE SCENARIO
ESTIMATED CONSTRUCTION COSTS
COMMERCIAL SETBACK ANALYSIS
CULVER CITY, CALIFORNIA

I.	<u>Direct Costs</u>					
	On-Site Improvements/Demolition	10,000	Sf Land	\$15 /Sf Land	\$150,000	
	Commercial Shell	38,800	Sf GBA	\$150 /Sf GBA	5,820,000	
	Tenant Improvements	38,800	Sf GBA	\$25 /Sf GBA	970,000	
	Total Direct Costs	38,800	Sf GBA	\$179 /Sf GBA	\$6,940,000	
II.	<u>Indirect Costs</u>					
	Architecture, Eng. & Consulting	6.0%	Direct Costs		\$416,000	
	Public Permits & Fees	1	38,800	Sf GBA	\$5.00 /Sf GBA	194,000
	Taxes, Legal & Accounting	2.0%	Direct Costs		139,000	
	Insurance	38,800	Sf GBA	\$0.50 /Sf GBA	19,000	
	Marketing/Leasing	38,800	Sf GBA	\$5.50 /Sf GBA	213,000	
	Developer Fee	3.0%	Direct Costs		208,000	
	Contingency Allowance	5.0%	Ind + Fin Costs		105,000	
	Total Indirect Costs				\$1,294,000	
III.	<u>Financing Costs</u>					
	Interest During Construction					
	Land	2	\$0	Value	6.0% Interest	\$0
	Construction	3	\$9,036,000	Cost	6.0% Interest	488,000
	Loan Origination Fees					
	Construction Loan		\$9,036,000	Cost	1.50 Points	136,000
	Permanent Financing	4	\$8,883,750	Value	2.00 Points	178,000
	Total Financing Costs					\$802,000
IV.	Total Construction Costs	38,800	Sf GBA	\$233 /Sf GBA	\$9,036,000	

¹ The estimate should be verified by City staff.

² Based on an 18-month construction period with a 100% average outstanding balance.

³ Based on an 18-month construction period with a 65% average outstanding balance.

⁴ Based on a 60% loan to value ratio and an 8.0% capitalization rate.

TABLE 2A

BASE SCENARIO
STABILIZED NET OPERATING INCOME
COMMERCIAL SETBACK ANALYSIS
CULVER CITY, CALIFORNIA

I.	Gross Income	¹	29,100 Sf GLA	\$2.20 /Sf	\$768,200
	(Less) Vacancy & Collection Allowance		5.0% Gross Income		(38,000)
II.	Effective Gross Income				\$730,200
III.	Unreimbursed Operating Expenses	²	1,500 Sf GLA	\$13.00 /Sf	(\$19,500)
IV.	Net Operating Income		29,100 Sf GLA	\$24 /Sf	\$710,700

¹ Assumes 25% of the total GBA is attributed to circulation.

² The cost is assessed against vacant space.

TABLE 3A

BASE SCENARIO
 SUPPORTABLE LAND VALUE CALCULATION
 COMMERCIAL SETBACK ANALYSIS
 CULVER CITY, CALIFORNIA

I. <u>Supportable Private Investment</u>			
Net Operating Income	See TABLE 2A	\$710,700	
Return on Total Investment		8.0%	
Total Supportable Private Investment			\$8,884,000
II. Total Construction Costs			
	See TABLE 1A		\$9,036,000
III. Supportable Land Value	10,000 Sf Land	(\$15) /Sf Land	(\$152,000)

APPENDIX B
PRO FORMA - IMPROVED ECONOMIC CONDITIONS (\$100 PER SF LAND VALUE)

TABLE 1B

BASE SCENARIO - \$100 PER SF RESIDUAL LAND VALUE
 ESTIMATED CONSTRUCTION COSTS
 COMMERCIAL SETBACK ANALYSIS
 CULVER CITY, CALIFORNIA

I. Direct Costs				
On-Site Improvements/Demolition	10,000	Sf Land	\$15 /Sf Land	\$150,000
Commercial Shell	38,800	Sf GBA	\$150 /Sf GBA	5,820,000
Tenant Improvements	38,800	Sf GBA	\$25 /Sf GBA	970,000
Total Direct Costs	38,800	Sf GBA	\$179 /Sf GBA	\$6,940,000
II. Indirect Costs				
Architecture, Eng. & Consulting	6.0%	Direct Costs		\$416,000
Public Permits & Fees	¹ 38,800	Sf GBA	\$5.00 /Sf GBA	194,000
Taxes, Legal & Accounting	2.0%	Direct Costs		139,000
Insurance	38,800	Sf GBA	\$0.50 /Sf GBA	19,000
Marketing/Leasing	38,800	Sf GBA	\$5.50 /Sf GBA	213,000
Developer Fee	3.0%	Direct Costs		208,000
Contingency Allowance	5.0%	Ind + Fin Costs		111,000
Total Indirect Costs				\$1,300,000
III. Financing Costs				
Interest During Construction				
Land	²	\$998,000 Value	6.0% Interest	\$90,000
Construction	³	\$9,165,000 Cost	6.0% Interest	495,000
Loan Origination Fees				
Construction Loan		\$9,165,000 Cost	1.50 Points	137,000
Permanent Financing	⁴	\$10,162,500 Value	2.00 Points	203,000
Total Financing Costs				\$925,000
IV. Total Construction Costs	38,800	Sf GBA	\$236 /Sf GBA	\$9,165,000

¹ The estimate should be verified by City staff.

² Based on an 18-month construction period with a 100% average outstanding balance.

³ Based on an 18-month construction period with a 65% average outstanding balance.

⁴ Based on a 60% loan to value ratio and an 8.0% capitalization rate.

TABLE 2B

BASE SCENARIO - \$100 PER SF RESIDUAL LAND VALUE
 STABILIZED NET OPERATING INCOME
 COMMERCIAL SETBACK ANALYSIS
 CULVER CITY, CALIFORNIA

I.	Gross Income	¹	29,100 Sf GLA	\$2.51 /Sf	\$876,500
	(Less) Vacancy and Collection Allowance		5.0% Gross Income		(44,000)
II.	Effective Gross Income				\$832,500
III.	Unreimbursed Operating Expenses	²	1,500 Sf GLA	\$13.00 /Sf	(\$19,500)
IV.	Net Operating Income		29,100 Sf GLA	\$28 /Sf	\$813,000

¹ Assumes 25% of the total GBA is attributed to circulation. The gross income is based on the rental rate required to obtain a residual land value of \$100 per sf of land area.

² The cost is assessed against vacant space.

TABLE 3B

BASE SCENARIO - \$100 PER SF RESIDUAL LAND VALUE
 SUPPORTABLE LAND VALUE CALCULATION
 COMMERCIAL SETBACK ANALYSIS
 CULVER CITY, CALIFORNIA

I. <u>Supportable Private Investment</u>			
Net Operating Income	See TABLE 2B	\$813,000	
Return on Total Investment		8.0%	
Total Supportable Private Investment			\$10,163,000
II. Total Construction Costs			
	See TABLE 1B		\$9,165,000
III. Supportable Land Value			
	10,000 Sf Land	\$100 /Sf Land	\$998,000