

City of Culver City, California
Joint City Council/Redevelopment Agency Agenda Item Report

Meeting Date: 12/15/08		Item Number: <u>JPH-1</u>	
AGENDA ITEM: JOINT PUBLIC HEARING - 1) City Council Public Hearing for Consideration of an Appeal of the Planning Commission's Approval of Site Plan Review, SPRP-2007183, and the CEQA Negative Declaration Finding; 2) City Council Approval of Height Exception, HTEX P-2008111, and Tentative Tract Map No. 69769, TTM P-2007184; and 3) Redevelopment Agency Consideration of Approval of a Design for Development (DFD) and Conformity with the Redevelopment Plan for Component Area Number 3.			
Contact Person/Dept.: Joseph Montoya/ CDD Planning John Fisanotti/CDD Redevelopment		Phone Number: (310) 253-5736 (310) 253-5767	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Public Notification: Mailed notices (11/20/08) to various public agencies and Culver City residents and interested parties (11/20/08); Site posted (11/24/08); e-mailed to interested parties (11/20/08); Master E-Mail Notification List (11/20/08 and 12/10/08).			
Department Approval: Sol Blumenfeld, Director (12/XX/08)		City Attorney Approval: Carol Schwab (by H. Baker) (12/10/08)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball)		City Manager Approval: Jerry B. Fulwood (12/10/08)	
<u>RECOMMENDATION:</u> For the City Council: Staff recommends the City Council consider the appeal of the Planning Commission's approval of Site Plan Review, SPR PL-2007183, and of the California Environmental Quality Act (CEQA) Negative Declaration and: A. Deny the Appeal and uphold the Planning Commission's approval of the Site Plan Review and direct staff to return to the City Council with the appropriate resolution adopting the CEQA Negative Declaration and outlining the findings for approval of the Site Plan Review, Height Exception and Tentative Tract Map; OR B. Grant the Appeal in part but modify the Planning Commission's approval of the Site Plan Review and direct staff to return to the City Council with the appropriate resolution adopting the CEQA Negative Declaration and outlining the findings for modifying the Site Plan Review and approval of the Height Exception and the Tentative Tract Map; OR JPH1-1			

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- C. Grant the Appeal **in its entirety** and **overturn** the Planning Commission's approval of the Site Plan Review and direct staff to return to the City Council with the appropriate resolution outlining the findings for denying the Site Plan Review and take no action on the Height Exception or the Tentative Tract Map.

For the Redevelopment Agency:

If the City Council denies the appeal and upholds the Planning Commission's approval of the Project (or takes action to approve a modified Project), then Staff recommends the Redevelopment Agency approve the Design for Development (DFD) for the Project and determine that the project is consistent with the Redevelopment Plan for Component Area No. 3. If the City Council upholds the appeal, then staff recommends the Agency take no action on this item.

PROCEDURE:

1. Mayor requests a joint motion from both the City Council and the Redevelopment Agency to receive and file the affidavit of publication of notice and all correspondence received in response to the public hearing notices.
2. Mayor calls for a staff report.
3. Mayor seeks a motion to open the joint public hearing, providing the applicant the first opportunity to speak, followed by the appellants and then the general public.
4. Mayor seeks motion to close the joint public hearing after all testimony has been presented.
5. City Council discusses the matter and arrives at its decision.
6. Redevelopment Agency discusses the matter and arrives at its decision (if necessary).

BACKGROUND:

On October 22, 2008, the Planning Commission held a public hearing regarding the development proposal filed by Greg Reitz, ReThink Tara Green LLC (the "Applicant") requesting approval to construct a new terraced split-level 4 – 5 story condominium office building measuring 62,765 gross square feet (GSF) ranging in height between 30'-6" and 61'-9" and with 181 parking spaces [including 36 spaces

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in tandem form] and with related setbacks and onsite/offsite improvements. To accomplish this request, a Site plan Review (SPR) is required to construct the project; a Height Exception (HTEX) is required to exceed the 43 foot building height limit in the IG Zone; an Administrative Use permit (AUP) is required for the tandem parking and a Tentative Tract Map (TTM) is required to subdivide the site for office condominium airspace units.

Attachment Numbers 1-A through 1-R contain the October 22, 2008 Planning Commission staff report with all attachments, including the Negative Declaration and Initial Study (the "Planning Commission Report"). The Planning Commission Report describes the Project in detail including analysis on the site plan, architectural design, building height, setbacks, parking, traffic and circulation, landscaping, noise, construction and area compatibility. Also attached is the Applicant's project summary (Attachment No. 1-K), Height Exception Criteria Summary (Attachment No. 1-I), as well as a petition filed by individuals in opposition to the project (Attachment No. 1-K) and the Applicant's response to the petition statements (Attachment No. 1-P). Lastly, letters submitted both in support of and in opposition to the project as presented to the Planning Commission are attached (Attachment No. 1-R).

The Planning Commission received input from the public in opposition (23 speakers) and in support (14 speakers) to the project at the October 22, 2008, public hearing. Letters in support and in opposition to the project as presented to the Planning Commission area also included as Attachment No. 1-R. Primary areas of discussion were related to Project compatibility with the surrounding neighborhood, parking patterns within the adjoining residential neighborhood, the findings of the traffic study, green building design, prior neighborhood meetings, and increased tax revenues. At the conclusion of the public hearing, and after thorough discussion of the matter, the Planning Commission recognized the concerns listed by those in opposition to the Project, but felt the staff analysis, attachments and recommended conditions of approval and additional conditions related to traffic and parking imposed by the Planning Commission sufficiently addressed those concerns. Therefore, the Planning Commission [with one member excused and another member recused] voted 3-0 to adopt Resolution No. 2008-P012 (Attachment No. 1-A) which included the finding pursuant to the California Environmental Quality Act (CEQA) that the Project would not have an adverse effect on the environment and a Negative Declaration should be approved and the required findings to approve the Site Plan Review and the Administrative Use Permit, and approved and recommended to the City Council for approval the Height Exception and the Tentative Tract Map. Please refer to the minutes of the meeting as outlined in Attachment No. 2.

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APPEAL:

As outlined in Attachment No. 3, on November 4, 2008, Randal LeBlanc and Donna LeBlanc filed a letter appealing the Planning Commission's October 22, 2008, approval of the subject proposed project, specifically the CEQA Negative Declaration and the Site Plan Review as more specifically outlined in Planning Commission Resolution No. 2008-P012.

The issues raised in the appeal documentation can be placed in four categories and are responded to below (paraphrased from the Appellants letter):

1. Traffic:

"... the Commission authorized credits to include Transit Oriented Development.."

No Transit Oriented District (TOD) credits were requested by the Applicant nor approved by the Planning Commission. The original project discussion did include discussion regarding the potential of TOD credits. However, the project as ultimately presented to the Planning Commission did not include TOD credits nor were TOD credits made part of the project as conditionally approved by the Planning Commission.

"... the Commission authorized existing use credits for a warehouse ..."

Following the criteria adopted by the City, the traffic study analyzed the net traffic patterns of the proposed project taking into account the prior office/warehouse use of the existing onsite structure.

"... significant traffic would be generated ..."

The staff analysis presented to the Planning Commission included a detailed analysis of the referenced traffic study prepared for the subject project and approved by the Planning Commission. The following summary is provided of traffic issues related to the proposed project:

A. Under the current Culver City traffic study criteria, if a project increases traffic on a street by eight percent (8.0%) on a daily basis, then that traffic increase constitutes a significant traffic impact.

B. At the October 22, 2008, Planning Commission meeting, the Applicant [Greg Reitz, ReThink] and his traffic engineer [Jasper Domingo, KOA Corporation] indicated different percent increases in traffic along Higuera

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Street due to the proposed project. Different percent increases were stated because the increase in traffic along Higuera Street was calculated based on parameters:

- i. The amount of project traffic estimated during the AM peak period before the traffic counts were taken; and
- ii. The amount of traffic added during the day.

The one percent (1.0%) increase during the AM peak period was based on the assumed traffic distribution before traffic counts were taken. The assumed traffic distribution before traffic counts were taken showed six (6) trips [one percent (1.0%)] would be added by the proposed project to Higuera Street in the AM peak period. Please note that all traffic counts were taken after the initial distribution listed in the Memorandum of Understanding (MOU) was approved by the City.

C. Traffic counts taken at the Higuera Street / Hayden Avenue – Hayden Place intersection [with the existing traffic diverter] showed that of all traffic entering the intersection, fifty three percent (53.0%) in the AM and fifty seven percent (57.0%) in the PM entered via southbound Higuera Street [towards Jefferson Boulevard]. However, staff observations at the intersection showed that a significant amount of southbound traffic on Higuera Street that turns right onto Hayden Place makes an immediate illegal “U”-turn on Hayden Place so as to return to southbound Higuera Street and bypass the noted traffic diverter. Of the right turners from southbound Higuera Street to westbound Hayden Place [towards the cul-de-sac], approximately twenty five percent (25.0%) of the AM traffic and fifty six percent (56.0%) of the PM traffic illegally bypassed the noted traffic diverter.

D. The traffic counts indicate a higher percentage of right turns from southbound Higuera Street into Hayden Place than the City would expect to be generated by the proposed project. Accordingly, the City then examined a worst-case scenario based on the traffic counts, without deducting the illegal bypass traffic. Under the worst-case scenario, the proposed project would increase traffic on Higuera Street by 3.8% during the AM peak period.

E. The City’s criteria for a project’s traffic impact on a residential street is based on the daily traffic added to the street. Therefore, staff examined the potential impact on a daily basis. The project will generate 575 trips per day, with 288 “in-bound” trips and 288 “out-bound” trips. Assuming 57.0% of the traffic is entering from southbound Higuera Street turns right into Hayden

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Place, the project would add 164 trips per day to Higuera Street [i.e., $288 \times 0.57 = 164$ trips]. This is a conservative approach, since field observations by City staff further determined that at least 25.0% of the right turns onto Hayden Place proceeded to make an illegal “U”-turn on Hayden Place back onto southbound Higuera Street so as to bypass the traffic diverter at the Hayden Place – Hayden Avenue / Higuera Street intersection.

F. A traffic count taken along Higuera Street by the City in 2004 showed that Higuera Street carried 4,400 vehicles per day. That resulted in a 3.7% increase in traffic on Higuera Street on a daily basis [i.e., $164 / 4,400 = 0.037$ or 3.7% increase].

G. Taking into account that traffic on Higuera Street has increase from the levels measured in 2004, the project’s proposed percentage increase on Higuera Street would be less that 3.7%.

“... the City has no standards to measure significant impact on non-signalized intersections ...”

As part of the Memorandum of Understanding (MOU) used to outline the preparation of the traffic study prior to commencing the work, the Engineering Division provided the applicant’s traffic consultant with the City criteria by which to analyze signalized and un-signalized intersections that could be potentially impacted by the proposed Project.

“... cut-through traffic through the neighborhood – something not adequately considered by the Commission ...”

The traffic study determined the traffic generated by the proposed project would not impact any intersection or residential street. Therefore, no traffic mitigation measures were required. Said analysis took into account the traffic patterns within the surrounding neighborhood including, but not limited to, the existing traffic diverter at the Hayden Place, Hayden Avenue and Higuera Street intersection and the existing and proposed northbound / southbound traffic flow along Higuera Street.

Based on all of the above and on the City’s criteria, the traffic generated by the Project would not have a significant impact on traffic. City staff, including the Engineering Division’s consulting traffic engineer, concurred with the traffic study findings and recommend its approval to the Planning Commission.

Although the traffic study did not identify any needed mitigations, the Planning Commission and staff discussed the possibility of the developer making a fair share

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contribution towards the cost of studying and implementing a Neighborhood Traffic Management Plan (NTMP) along Higuera Street between Lucerne Avenue and Hayden Avenue. Although there was no direct nexus to require the applicant to provide such contribution, the applicant voluntarily agreed to contribute. As such, Condition No. 117 of the Planning Commission Resolution (Attachment No.1A) outlines this requirement. The fair share contribution was calculated by the City Engineer to be \$50,000.

2. Parking:

“... parking spaces do not protect the adjacent neighborhood streets ...”

After the required review of the Project, including consideration of the Site Plan Review, the Administrative Use Permit for tandem parking and the fact that all required parking is to be provided for on-site and that no project vehicle access is permitted to/from the immediate residential neighborhood along Higuera Street, the Planning Commission determined the project was compatible with the surrounding neighborhood as outlined in the resolution. In addition, the Planning Commission imposed a condition (Condition No. 116) on the project requiring the applicant to submit a Parking Management Plan which establishes the systems and procedures for the management of the on-site parking including but not limited to the proposed operations of the tandem parking, provisions for tenant and visitor parking, any sticker system implemented to identify users of the on-site parking, and any proposed paid parking program, if applicable.

In addition, the condition requires three consecutive annual monitoring reports of the project's parking operations and its compliance with the Parking Management Plan commencing one year after issuance of a Final Certificate of Occupancy to determine whether Project related parking is occurring off-site on adjacent residential streets, including but not limited to, Higuera Street, Lucerne Avenue, Wesley Street, Helms Avenue, and Schaefer Street, which the City shall contract with a consultant to produce at the applicant's, or property owner expense.

3. Neighborhood Compatibility:

“...the Commission inadequately considered the Project's lack of compatibility...”

“...the tallest part of the Project is more than 18 feet taller than the existing maximum zoned height...”

“...terracing the lower floor is not sufficient...”

“...a building height varying between 30'-6” and 61'-9” is in no way compatible with the surrounding neighborhood...”

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“...the Commission improperly gave too much consideration to the terracing of the first floors and the “green” nature of the proposed building...”

“...the architectural design of the structure, in particular its height, is incompatible...”

“...the proposed Project is bordered by other commercial uses, none of which is more than 2 stories...”

“...the modern nature of the building, though appealing is incompatible...”

“...the proposed landscaping may be best described as minimal with ineffective screening...”

After review of all materials presented and testimony given, the Planning Commission made the finding as outlined in the attached resolution that the proposed terraced/split-level building, with a building height varying between 30'-6" and 61'-9", is deemed compatible with the surrounding neighborhood notwithstanding the fact it exceeds the 43'-0" maximum building height in the IG Zone due to its building setbacks, architectural design and building materials. The proposed terraced/split-level office building will be 61'-9" at the highest point and will have a terraced design so as to step the building away from the adjoining residential neighborhood to the north and west. By stepping the building back and by providing varying building setbacks along all of the building frontages, the project's impacts to the residential neighborhood are lessened thereby making the project more compatible with the residential neighborhood. The building frontage along Higuera Street has a setback that allows for both onsite and offsite landscaping so as to further screen the project from the adjoining residential neighborhood.

The proposed project is an architecturally modern building making use of a variety of building materials including wood, metal, concrete and glass. The design incorporates environmentally friendly and energy efficient building elements including roof top photovoltaic solar panels, green screening walls and green roof areas. All of these elements once combined provide an architectural relief and visual interest to the building elevations. Public artwork, in compliance with the City's Art in Public Places program, is proposed to be incorporated along the building facades.

The building materials noted above, along with the environmentally friendly design features, will provide for an architectural style and color scheme that will complement existing development in the area.

The proposed landscaping meets all zoning code requirements providing visual relief and enhancing sustainability goals. More specifically, the onsite landscape features include ground cover, shrubs, trees and “green” building designs to provide a visual screen of the building to the surrounding residential uses. This

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will be amplified by the additional landscaping within the Higuera Street public right of way as part of the landscape maintenance district which will further add to the visual enhancement of the project's image to the surrounding residential uses. Overall, the onsite and offsite landscaping will complement the modern style of architecture, soften the massing of the proposed building and improve the visual image of the project from the adjoining residential neighborhood.

4. CEQA Review:

"... Need an environmental impact report (EIR) ..."

Pursuant to the California Environmental Quality Act (CEQA) and the procedures adopted by the City to implement CEQA, an Initial Study [the preliminary analysis] was prepared. The Initial Study is comprised of a list of objective criteria the City must use in evaluating any potential environmental effects of a project. The Initial Study also provides detailed information to use as the basis for deciding whether to prepare an environmental impact report (EIR), Negative Declaration (ND) or a Mitigated Negative Declaration (MND) for the proposed project. Based on this process, the Initial Study determined the proposed project would not have a significant adverse impact on the environment since it is consistent with the General Plan and Zoning Code of the City, the proposed development consists of office use which is permitted by the referenced plan and zoning, the project is fully parked in accordance with the Zoning Code, the project does not impact the residential uses in the area, it does not eliminate or disturb any historic resources and it does not create impacts upon biological resources nor does it create cumulative impacts. Therefore a Negative Declaration finding was deemed to be appropriate. After the required review of the project, including the referenced Initial Study, the Planning Commission determined the Negative Declaration was appropriate as outlined in the resolution.

HEIGHT EXCEPTION:

Originally, the applicant submitted preliminary development plans that proposed a building with a uniform height measuring 43'-0" with a 5'-0" parapet for an effective building height of 48'-0" consistent with the 43'-0" height limit (plus 5'-0" parapet) in the IG Zone.

However, after receiving comments from some of the neighboring residents pertaining to the height of the building and its proximity to adjacent residential uses during various applicant-sponsored community meetings, the applicant revised the building massing so as to terrace the building away from the neighboring residential uses to the north and west and then added a partial 5th floor at the furthest point

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away from the residences so as to regain the footage lost as a result of the terracing and maintain a building measuring 62,765 GSF as originally proposed.

Since the proposed project exceeds the maximum building height, the applicant has filed a Height Exception application. As outlined in the approved development plans, the applicant has submitted for approval a terraced/split-level office building measuring between 30'-6" and 61'-9" in height that provides a building massing which steps back from the surrounding residential uses and provides the desired building size – yet the proposed building exceeds the CCMC maximum building height of 43'-0" in the IG Zone by up to 18'-9".

CCMC Section 17.300.025.C.1. – Exceptions to Height Limits outlines the procedure for requesting the City Council to grant an exception to the height limits established in the CCMC. The City Council, after consideration of a recommendation from the Planning Commission, may by resolution establish a maximum building height for new construction in Redevelopment Component Area #1 through #3 subject to consistency with a Design For Development (DFD) as may be adopted by the Culver City Redevelopment Agency for the subject site. Since the subject project site is located within Redevelopment Component Area #3, the applicant has initiated discussions with the Redevelopment Division for Redevelopment Agency adoption of a DFD. The request to exceed the maximum building height, and any other restrictions related to rooftop parapets and mechanical equipment, are to be considered as part of this Height Exception and the DFD.

As required as part of the submittal requirements for a Height Exception (Attachment 1-Q) the applicant has submitted a shade and shadow study, site line analysis, and visual simulations as outlined in the Development Plans (Attachment 1-D). In addition, the applicant has conducted community outreach events as describe in the applicant's Height Exception Criteria Summary dated August 7, 2008 (Attachment No. 1-I). Since the proposed Height Exception does not result in additional floor area, the applicant was not required to submit a pro forma, market analysis or additional traffic study.

In reviewing requests for a Height Exception, design and compatibility are the key criteria used by staff to assess the proposal and make a recommendation. This includes: privacy of adjacent uses; shade and shadow impacts; view blockage; location relative to surrounding uses; and design and physical appearance. Each issue is addressed further below.

Privacy: The project design has taken into consideration privacy impacts to adjacent residential uses. The building is a minimum of 100 feet from homes on Higuera and the west side of Lucerne minimizing any views into these homes or yards. The western façade of the building is adjacent to three homes on the east side of

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Lucerne. The windows on the west side of the building are few and set high so that views into the neighboring yards are constrained.

Shade and Shadow: As outlined in the architectural plans, an analysis of the anticipated shade and shadow footprint of the proposed building throughout the year has been prepared. The analysis concludes that there will be no significant impact onto any of the adjoining buildings resulting from the additional height.

View Blockage: The proposed building will not be in the view shed of any residential uses and therefore will not result in any view blockage from adjacent properties.

Location: The majority of the proposed building is at or below the 43 foot height limit of the IG zone. The portion of the building that rises to a proposed 61'-9" is located away from the sensitive residential receptors and more appropriately towards the commercial/industrial uses on Hayden Place. The building measures a maximum height of 32 feet along the residential perimeter on the Higuera (north) side and 30.5 feet along the residential perimeter on the Lucerne (west) side. This height of the building in this location is consistent with the 30 foot height limit in the surrounding R-2 residential zone. In addition, the building is setback up to 24 feet directly abutting the residential uses on Lucerne.

Design and Physical Appearance: The massing of the proposed building includes a terraced/split-level design with varying building setbacks pulling the height away from the adjoining residential uses and more appropriately towards the commercial/industrial uses. The proposed building materials, colors and finishes are intended to create a building appearance that is sensitive to the nature of the adjoining residential uses, including the extensive use of wood paneling on those portions of the building facing residential uses.

Based on the criteria outlined above, staff believes there are various unique characteristics that apply to the subject site and the proposed design of the project which lend to it being appropriate for a Height Exception. The Height Exception does not seek to add square footage to the building, but rather is intended to address compatibility issues with adjacent residential uses. The lowering of the height adjacent to the residential use provides a building appearance that insures a compatibility with the surrounding residential uses. As noted herein, the Planning Commission has recommended that the City Council approve the Height Exception.

SUBDIVISION:

Because the project is intended as an office condominium development, an airspace subdivision is required. There will be a maximum of 30 office condominium units.

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The State Subdivision Map Act and CCMC Chapter 15.10 regulate the subdivision of land. The tentative tract map review process allows the City the opportunity to review the proposed subdivision to insure all necessary onsite and offsite improvements are provided for. Accordingly, the Public Works Department has reviewed the proposed condominium subdivision via Tentative Tract Map No. 69769 (Attachment No. 1-M) and found it to be in compliance with all applicable State and CCMC regulations and the Planning Commission has recommended approval of the Tentative Tract Map.

Pursuant to state law, the City Council has limited discretion in its review of a tentative tract map (TTM) as set forth in the Subdivision Map Act (SMA). The SMA sets forth the only grounds to deny the approval of a tentative map. These findings, as listed in Government Code Section 66474 and reiterated in Culver City Municipal Code Section 15.10.265, are as follows:

1. That the proposed map is not consistent with applicable general and specific plans;
2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans;
3. That the site is not physically suitable for the type of development;
4. That the site is not physically suitable for the proposed density of development;
5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;
6. That the design of the subdivision or the type of improvements is likely to cause serious public health problems;
7. That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

Regardless of the nature of the findings for denial of a TTM, the Council's decision must be based upon substantial evidence in the record. The findings cannot be based upon conclusory statements, but must contain specific facts and evidence. The Planning Commission Resolution for this project, which recommends approval of the TTM, specifically addresses each of the above-listed findings in determining that approval is appropriate.

REDEVELOPMENT AGENCY:

BACKGROUND:

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The subject site (the "Site") is located in Component Area No. 3 of the Culver City Redevelopment Project (the "Redevelopment Project").

Pursuant to the Redevelopment Plan for the Redevelopment Project and the Culver City Municipal Code, a height exception may be granted in areas of the Redevelopment Project if a DFD allowing additional height is in effect for the redevelopment project area in question. The proposed adoption of a DFD for the subject site will, among other things, permit a height exception to be granted. The Draft DFD is provided as Attachment No. 5.

On November 6, 2008, the Advisory Committee on Redevelopment (ACOR), after hearing a presentation on the project by the Applicant, and considering the language in the draft DFD, voted to recommend to the Agency that it approve the DFD and the project. The draft minutes of the ACOR meeting are enclosed in the agenda packet as Attachment Number 6. At that meeting, one member of the public complained that there hasn't been adequate public participation with the developer.

DISCUSSION:

Design for Development (DFD)

The applicant met with the neighboring residents to get input from the community regarding the proposed design for the Project. In response to community concerns over the height of the building nearest to the neighboring residential uses to the north and west of the site, the Project was redesigned, shifting the building massing from the north and west edges facing the residential use to the upper floors of the building farthest from the residential uses. The proposed solution maintains the financial viability of the Project without loss of leasable square footage and minimizes the building massing and height from the adjoining residential uses. This redesign of the building, fashioned in response to the community's concerns, requires a height exception, and therefore, a DFD allowing such a height exception is a pre-requisite.

Recent changes to the submittal requirements for processing a DFD related to a height exception, include new provisions for evaluating the financial and physical factors pertaining to an application. These requirements include:

1. Pro forma Analysis; (Exception for projects which do not result in increased floor area
2. 2. Market Analysis; (Exception for projects which do not result in increased floor area

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3. Design Analysis; and
4. Public Participation Plan.

The Draft DFD and attachments thereto contain the documentation and analysis used to conclude that a height exception in this instance can be supported to enable the Applicant to implement its design solution prepared in response to the neighbor's concern regarding the apparent building massing and height as proposed for the Project.

Staff Recommends that the Agency approve a Design For Development (DFD) for the property at 8665 Hayden Place.

Tentative Tract Map

Section 420 of the Redevelopment Plan for Component Area Number 3 requires the Agency to approve all subdivisions of land within the Component Area. The site of the proposed project measures 34,580 square feet (0.79 acre) in lot area. The proposed tract map would create up to thirty (30) condominium airspace lots. No land area is required to be dedicated or acquired. The size and shape of the site will not hinder development to occur pursuant to the Redevelopment Plan.

Staff recommends approval of the Tentative Tract Map subject to the conditions of approval to be adopted by the City Council for the Tentative Tract Map. The Agency can rely on the environmental findings previously adopted by the Planning Commission for this Project.

Conformance

The Redevelopment Plan land use designation for this site is "Industrial." The location of the site is within the Hayden Tract, an industrial part of the City developed with industrial, offices and studio related uses. Staff recommends that the Agency find that the proposed project conforms to the Redevelopment Plan.

CEQA FINDING:

The Initial Study conducted for the project dated September 16, 2008, (Attachment No. 1-O) determined there were no potential significant environmental impacts associated with the proposed Project and that no mitigation measures were required. The initial study utilized the following technical studies:

1. CEQA Air Quality Handbook, 1993 update;

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2. City of Culver City General Plan Program EIR, November 1995;
3. Culver City Redevelopment Plan Amendment EIR, November 16, 1998; and
4. Traffic Impact Analysis prepared by KOA Corporation, July 23, 2008.

Based on the above, staff prepared the referenced Initial Study and a Negative Declaration. If the Project were to be approved as recommended by the Planning Commission, staff recommends the City Council adopt the Negative Declaration.

CONCLUSION:

Based on the above changes to the project design and draft conditions of approval, staff recommends that the City Council uphold the Planning Commission's decision.

FISCAL ANALYSIS:

This is a private venture project with no financial participation by the City or Agency. If the Project is approved, then the City would gain commercial taxes (i.e. business tax, sales tax, and utility users tax) and the Agency would receive additional tax increment once construction is completed, all condominium office units are sold, and all commercial/office space is leased.

Additionally, there is measurable staff time associated with the initial processing of the various project entitlement applications, CEQA review and the subsequent appeal of the project. A portion of the cost of staff's time is recovered through user fees and charges for entitlements (i.e. Administrative Use Permit, Height Exception, Site Plan Review, and Tentative Tract Map fees) and appeal fees, at a cost recovery level approved by City Council.

Generally, an office development is a lower impact use relative to public safety and municipal services since operating hours are more limited than other land uses and the project costs less to service. However, it also generates less taxable revenue for the City than some other land uses, yet it will generate a positive long term financial benefit to both the City and Redevelopment Agency. The impact to the General Fund once the project is complete is anticipated to be minor since the increased revenues are estimated to offset the increased service costs. However, the impact to the Redevelopment Agency once the project is completed is a net increase in tax increment (after deducting statutory pass through payments and County administration fees). When Redevelopment Component Area No. 3 expires in 2018 and debt obligations from that Component Area are fully satisfied, the City's General Fund will then realize an increase in property tax revenues in an amount equal to approximately 10% of the tax increment formerly received by the Agency.

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Therefore, the long term net fiscal impact to the community, after accounting for an increase in revenues and public service costs and additional tax increment, is estimated to result in a positive financial benefit to the City and Agency. Adoption of the Design For Development carries no significant financial impact to the Agency.

ATTACHMENTS:

1. October 22, 2008, Planning Commission Staff Report and Attachments:
 - A. Final Draft Planning Commission Resolution No. 2008-P012.
 - B.* Project Summary.
 - C.* Vicinity Map.
 - D.* Aerial Photograph.
 - E.* Preliminary Development Plans.
 - F. Materials Board [to be on display at the meeting].
 - G.* Excerpt of the draft Design For Development.
 - H.* Applicant's Project Summary.
 - I.* Applicant's Height Exception Criteria Summary.
 - J.* Public Notification Radius Map.
 - K.* Petition in Opposition to the Project.
 - L.* Traffic Study dated July 23, 2008.
 - M.* Tentative Tract Map No. 69769.
 - N.* CEQA Initial Study.
 - O.* CEQA Proposed Negative Declaration.
 - P.* Applicant's Letter Responding to Petition Statements.
 - Q.* Height Exception Submittal Requirements.
 - R.* Written Public Comments [prior to Planning Commission meeting].
- ***Previously distributed to the City Council on December 1, 2008.**
2. Draft Minutes Excerpt of October 22, 2008, Planning Commission meeting.
3. Appeal filed on November 4, 2008.
4. Written Public Comments [after Planning Commission meeting].
5. Draft Design For Development.
6. Draft Minutes Excerpt of the November 6, 2008, Advisory Committee on Redevelopment meeting.

MOTIONS:

That the City Council:

- A. (Staff recommendation) Deny the Appeal and **uphold** the Planning Commission's approval of the Site Plan Review and direct staff to return to the City Council with the appropriate resolution adopting the CEQA Negative

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Declaration and outlining the findings for approval of the Site Plan Review, Height Exception and Tentative Tract Map; **or**

- B. Grant the Appeal **in part** but **modify** the Planning Commission's approval of the Site Plan Review and direct staff to return to the City Council with the appropriate resolution adopting the CEQA Negative Declaration and outlining the findings for modifying the Site Plan Review and approval of the Height Exception and the Tentative Tract Map; **or**
- C. Grant the Appeal and **overturn** the Planning Commission's approval of the Site Plan Review and direct staff to return to the City Council with the appropriate resolution outlining the findings for denying the Site Plan Review and thereafter take no action on the Height Exception or the Tentative Tract Map.

AND (only if necessary)

That the Redevelopment Agency (only in the case Motion A or B is adopted by the City Council):

- A. Approve the Design For Development (DFD) for the Project; and,
- B.. Determine that the project is consistent with Redevelopment Plan for Component Area No. 3.