



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 19-160, **Version:** 1

Item #: PH-1.

CC - PUBLIC HEARING: (1) Introduction of an Ordinance Amending the Culver City Zoning Map, as Referenced in Title 17, Zoning, of the Culver City Municipal Code, Section 17.200.015 - Zoning Map; and (2) Adoption of a Resolution Amending the General Plan Map and Approving a Reduction in the Number of Required Parking Spaces through the Use of an In-Lieu Fee, for the Development of a 3 to 4 Story Office Building (Known as The Brick and the Machine) with Ground Floor Retail and Restaurant at 9735 Washington Boulevard.

Meeting Date: August 27, 2018

Contact Person/Dept: Jose Mendivil, Associate Planner
Michael Allen, Current Planning Manager

Phone Number: (310) 253-5757 / (310) 253-5727

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Planning Commission Approval: Yes ☒ No ☐ **Date:** 6/27/18

Public Hearing: ☒ **Action Item:** ☐ **Attachments:** ☒

Public Notification: (Mailed) Property owners and occupants within a 500 foot radius of the Project Site (08/06/18); (Sign) Posted on the Site (08/06/18); (E-Mail) Meetings and Agendas - City Council (08/21/18); (Posted) City Website (08/09/18); (Published) Culver City News (08/09/18).

Department Approval: Sol Blumenfeld, Community Development Director (08/07/18)

RECOMMENDATION

Staff recommends the City Council (1) introduce an Ordinance approving Zoning Code Map Amendment P2017-0021-ZCMA (Attachment No. 1); and adopt a Resolution approving General Plan Map Amendment P2017-0021-GPMA and a reduction in the number of required parking spaces through the use of an in-lieu fee (Attachment No. 2), subject to conditions of approval in Exhibit A of Planning Commission Resolution No. 2017-P015 (Attachment No. 3) for the development of a 3 to 4 story office building (known as The Brick and the Machine) with ground floor retail and restaurant at 9735 Washington Boulevard.

PROCEDURE

1. The Mayor seeks a motion to receive and file the affidavit of publication and posting of the public hearing notice.
2. The Mayor calls on staff for a brief staff report and City Council poses questions to staff as desired.

3. The Mayor seeks a motion to open the public hearing, providing the applicant the first opportunity to speak, followed by the general public.
4. The Mayor seeks a motion to close the public hearing after all testimony has been presented
5. The City Council discusses the matter and arrives at its decision.

BACKGROUND

Request

On January 27, 2017, Clarett West Development (Applicant/Property Owner) submitted an application for an Administrative Modification, Administrative Use Permit, Site Plan Review, General Plan Map Amendment, and Zoning Code Map Amendment to allow the development of an office, retail, and restaurant project, (Project) and a request to reduce the number of required parking spaces by twenty-four (24). Please refer to the February 28, 2018 Planning Commission Staff Report (Attachment No. 4) and related attachments 5, 6, 7, and 8 for a complete discussion on the Project Existing Conditions, Description, and Analysis.

Continuation of Planning Commission Meetings

On August 23, 2017, the Planning Commission continued the project to a date uncertain in order to allow time for resolution of outstanding issues with an abutting property owner. The Project was continued and rescheduled several times (October 25, 2017, November 15, 2017, February 28, 2018 and June 27, 2018). At the June 27, 2018, Planning Commission meeting, the Planning Commission approved the Project.

The continuances were approved by the Planning Commission in order to address objections by Prospect Medical Holdings, Inc., owner of Southern California Hospital at Culver City ("SCH-CC" or "Hospital") located north of the Project site. Their concerns included:

- Construction related vibration and noise impacts on patients undergoing surgery in subterranean levels adjacent to the project subterranean parking levels;
- Construction related noise and vibration impacts on convalescing patients located in rooms facing the project site;
- Construction related traffic impacts on emergency vehicles using Delmas Terrace and Hughes Avenue; and,
- Lack of building permit review and coordination with the Office of Statewide Health Planning and Development (OSHPD) which has jurisdiction over hospital related construction.

The applicant and the Hospital have come to an agreement resulting in the following construction mitigation measures:

- Revised noise mitigations that address construction related vibration and noise impacts on patients undergoing and patients convalescing in rooms facing the project site as reflected in the Planning Commission resolution (Attachment No 3);
- Construction haul routes that do not use Delmas Terrace north of the project site and Hughes Avenue as reflected in Attachment No 3; and,
- Building permit review and coordination with OSHPD as reflected in Attachment No 3.

Please refer to the June 27, 2018 Planning Commission Staff Report (Attachment No. 9) and related attachments 10, 11, and 12 for a complete discussion on noise related mitigation revisions, and OSHPD involvement.

Planning Commission Public Hearing and Recommendation

On June 27, 2018, the Planning Commission adopted Resolution No. 2017-P015 approving the Project and recommending to the City Council approval of General Plan Map Amendment P2017-0021-GPMA and Zoning Code Map Amendment P2017-0021-ZCMA, and approval of a reduction in required parking by 24 spaces through the use of an in-lieu fee. During the public hearing, the Planning Commission considered the staff report, including an overview of the Project, comments from the public, and requests from the Applicant. One of Applicant's requests was to modify Condition No. 18, which relates to the reduction in required parking spaces through the use of an in lieu fee to be reserved for the future development of remote parking facilities outside of the immediate Downtown area or other parking and mobility measures as necessary to reduce vehicle trips and traffic congestion that are associated with under parked older Downtown developments. The Commission was supportive of the Applicant's request as it addressed several issues including utilization of off-peak parking in the downtown and supported downtown business, but it did not address the key mobility issue of generating in lieu parking fees in order to develop peripheral parking to alleviate downtown traffic congestion. These issues are reflected in Attachment No. 3 and are discussed below in the Analysis section of the staff report.

The Project was continued on July 23, 2018, by the City Council to a date uncertain without discussion.

ANALYSIS

Zoning Code Map Amendment and General Plan Map Amendment

The Project Site is comprised of three lots with one lot perpendicular to and facing Delmas Terrace and the other two lots perpendicular to and facing Washington Boulevard. The Culver City Downtown General Plan designation for the Project site's two Washington Boulevard fronting lots allows medium and large-scale commercial uses. The Downtown designation is intended to support desirable existing and future commercial uses and mixed-use housing opportunities within the Downtown area, and to encourage a pedestrian-friendly environment with a positive nightlife ambiance. The Project Site's third lot at the rear of the property has a General Plan General Corridor Land Use designation. This designation allows small to medium-scale commercial uses. It is intended to support neighborhood and community serving commercial uses and allows building height up to 56 feet.

The Project involves a General Plan Map Amendment and Zoning Code Map Amendment. The current line dividing the CD and CG zoning designations occurs at a skewed angle within the Site boundaries. A portion of the General Corridor designated area is proposed to be shifted south approximately 16 feet to 23 feet with an accompanying Zone Change from CD to CG. This shift will make the division line between the Project's CD and CG zones parallel with the rear property line creating the ability to provide a more uniform building configuration between the lots in which building height will increase from the allowable maximum of 44 feet in the CD Zone to a maximum allowed 56 feet in the CG Zone. The new boundary line between the two Land Use and Zone designations will be parallel to the rear lot line and accommodate the proposed building program for a four level, 56 foot high office which steps down to 44 feet on Washington Boulevard. The proposed Zone Change will not impact the building height along Washington Boulevard as that portion of the project complies with the height restrictions of the CD Zone. This map amendment will result in changing one type of commercial designation for another type of commercial designation in the Downtown area.

The Project will comply with applicable requirements of the Zoning Code including building height, setbacks, and parking (if requested parking reduction through proposed in lieu fee or shared parking is approved). The proposed changes to the Zoning and General Plan map areas are depicted in Exhibit A of Attachment Nos. 1 and 2.

Condition No. 18, In Lieu Parking, Shared Parking and Mobility Measures

The Applicant has submitted a request for less than required parking through a shared parking analysis pursuant to CCMC Section 17.320.025 (Alternative Parking Provisions). The request may be approved, modified or disapproved by City Council based upon factual findings. Staff recommended to the Planning Commission the imposition of an in lieu parking option for the reduced Project parking, as the proposed shared parking was not advisable in the downtown which has parking challenges, and because the outcome and potential impacts were unpredictable. The purpose of the proposed in lieu parking fee is to fund alternative peripheral parking consistent with the recommendations of the City's TOD District Visioning Study. The in lieu fee would help address both parking and mobility issues since peripheral parking outside of the downtown would help alleviate local congestion if connected by micro transit and other similar alternative transportation, which the City Council has been considering.

Condition No. 18 was originally proposed by staff as an in lieu fee calculated as the cost per space multiplied by the net reduction of 24 parking spaces and in an amount not less than 2/3 of the cost that would otherwise apply to construct the 24 parking spaces. The in lieu fee is estimated at \$1,200,000 (24 spaces x \$50,000 per space) and the applicant would provide two-thirds of the cost or \$792,000 with net savings of \$408,000 in parking costs. The in lieu fee would be verified by construction contract and deposited in a fund administered by the City for the purpose of future development of peripheral parking facilities in order to reduce vehicle trips and traffic congestion that are associated with under parked older Downtowns. Arguably, the project could be served by developing alternative transit that connects peripheral parking, the Transit Oriented Development District and downtown.

In correspondence to the Planning Commission, the Applicant requested a revision to the condition to reduce the in-lieu fee from an amount not less than two-thirds of the cost to construct the 24 parking spaces to an amount based on \$2 per square foot of new development or \$136,006. which is the methodology used to establish a public benefit mobility fee (as opposed to an in lieu parking fee) for other recently entitled Culver City projects.¹ The Applicant expressed concern that the amount of the in-lieu fee is not proportional to the size of the project and unfairly burdens the project with a cost that was not anticipated. The Applicant's position is that its proposed measures, including the provision of 24 "surplus" parking spaces during "off-peak" periods for use by the Downtown Business Association (DBA) for a valet parking program equating to \$73,000 per year (or \$730,000 in foregone parking revenues over the proposed 10-year parking license term), should be considered to meet the in-lieu parking obligation under CCMC Section 17.320.025. Such parking would be required through a covenant to be made available to the DBA from 6:00 pm to 11:00 pm daily for the 10-year term. The parking spaces would be for patrons and employees of downtown business and would be accessible in the evening, seven days a week. The proposed parking reduction would result in cost savings which the Applicant indicates was a consideration in moving forward with the Project. Without parking relief, the Applicant indicates they will need to scale back the Project by eliminating a roof top dining area and other restaurant space in the Project which creates an additional 24 space parking demand. The Applicant's request is contained in Attachment No. 14.

In the June 27th staff report, staff responded that:

- The method by which the City approves a reduction in parking is at the City's discretion. The City may choose to accept the shared parking analysis and approve the shared parking alternative to address the reduction in parking; or it may disapprove the request and require other measures to meet code required parking such as participation in an lieu parking program pursuant to CCMC 17.320.025.A.
- A prorated in lieu parking fee provides a discount of one-third of the cost of providing the code required parking.
- The prorated parking condition was not disproportional and that Applicant must be capable of meeting the parking obligation since, without discretionary approval to reduce the required parking under Condition No. 18, or unless there is other relief from the parking requirement, the full cost of providing the required parking must have been factored into the project.
- Eliminating the Project amenities including roof top dining, outdoor dining and restaurant space would be detrimental to the Project.
- The contribution of 24 Project off-peak parking spaces to the DBA valet parking service at no cost is a benefit to the downtown and will help in managing the downtown parking supply facilitating downtown business operations, but would not address the need for peripheral parking.
- Shared parking between peak and off-peak project uses is consistent with current City policy.

The Planning Commission accepted the Applicant's alternative to Condition No. 18, indicating a broader approach that addressed downtown area parking demand through off-peak free parking supplied to the DBA was consistent with City policy for shared parking and addressed downtown parking need, but requested that the 24 spaces offered to the DBA be increased to 30 spaces and the Applicant agreed. Staff continues to recommend the City Council consider the originally proposed Condition No. 18 (see Attachment No. 15), for the reasons previously stated in the staff report.

Condition No. 17 - Mobility Features

Condition No. 17 of Planning Commission Resolution No. 2017-P015 (Attachment No. 3) requires any of the following five mobility measures:

1. One end of trip facility including Employee Bicycle Lockers.
2. Public Transportation and Shared-ride Uber/Lift Information Kiosks for both ground floor and office employees.
3. Twenty two (22) marked parking stalls constructed with infrastructure necessary to allow for future installation of Electrical Vehicle (EV) charging stations and a minimum of six (6) EV ready parking spaces.
4. At least two low/zero emission vehicle designated parking spaces and at least one carpool/vanpool designated parking at each subterranean parking level.
5. With approval from Public Works, designated loading areas for shared-ride vehicles.

6. Subsidized Shared-Ride/Uber/Lift Service.
7. Promotion of walking through a “walk to work” program.
8. Two bicycle sharing spaces with accompanying bicycles.
9. Other potential Measures which may be required consistent with City mobility measures.
10. Subsidized TAP Cards.

ENVIRONMENTAL DETERMINATION

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, an Initial Study was prepared for this Project. The Initial Study determined that the Project would not result in significant impacts on the environment provided certain mitigation measures are required and a Mitigated Negative Declaration (MND) was prepared as the required CEQA clearance documentation for the Project. The MND (Attachment No. 7) determined that the Project will require mitigation measures to reduce “potentially significant” impacts on the environment to a less than significant level. The mitigation measures address items related to Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology/Water Quality, Noise, and Public Services. The MND was adopted by the Planning Commission on June 27, 2018, which determined that the Project will not have a significant adverse impact on the environment. Pursuant to Section 15162 of CEQA, General Plan Map Amendment and Zoning Code Map Amendment, P2017-0021-GPMA, and -ZCMA are within the scope of the adopted MND, the circumstances under which the MND was prepared have not significantly changed, and no new significant information has been found that would impact the MND. Therefore, no additional environmental analysis is required.

CONCLUSION

Staff and the Planning Commission recommend that the project be approved as it will enhance the Downtown and replace a vacant building with an attractive new office and retail development, generating new office tenants and retail patrons that contribute to the local economy. Its location near several bike routes, bus lines, and the Metro Expo line can make use of alternate modes of transportation attractive to Project office and retail/restaurant tenants and the proposed Transportation Demand Management Program measures and green building features will make the Project sustainable and its stepped building design, unique façade screen features and roof-top dining deck will be an attractive downtown addition.

With regard to the Applicant's request for reduction in required parking, the Planning Commission felt that allowing the project to proceed with an in-lieu parking contribution in the form of an allocation of 30 shared parking spaces for DBA valet parking during off-peak parking periods satisfied Condition No. 18 pursuant to Section 17.320.025.A (Alternative Parking Provisions). However, staff believes that allocating virtually 100% of the in-lieu parking contribution to address the DBA's valet parking program does not address (i) the fundamental issue of the need for peripheral parking to address congestion and mobility needs in the Downtown area; and (ii) the City Council's recent discussions and determination to make local mobility a fundamental policy for informing how the City approves projects and constructs buildings.

Therefore, staff believes the findings for General Plan Map Amendment, and Zoning Code Map Amendment, Case No. P2017-0021, and findings for the reduction in the required number of parking spaces can be made as outlined in the proposed City Council Ordinance and Resolution (Attachment Nos. 1 and 2); and that

Condition No. 18 should be approved as originally proposed (see Attachment No. 15) to provide an in lieu parking contribution rather than supplying off-peak parking to the DBA for valet service.

ATTACHMENTS

1. Proposed Ordinance (including Exhibit A - Proposed Zoning Map).
2. Proposed Resolution (including Exhibit A - Proposed General Plan Map).
3. Planning Commission Resolution No. 2017-P015 and Exhibit A - Conditions of Approval.
4. February 28, 2018 Planning Commission Staff Report without attachments.
5. February 28, 2018 Planning Commission Minutes.
6. Preliminary Development Plans dated July 27, 2017.
7. CEQA Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting. Program, dated August 2, 2017.
8. Traffic Impact Analysis prepared by Crain & Associates, December 22, 2016
9. June 27, 2018 Planning Commission Staff Report without attachments.
10. June 27, 2018 Planning Commission Minutes.
11. ESA/PCR Updated Noise Memorandum dated June 21, 2018.
12. Revised Mitigation Monitoring and Reporting Program in Strike Out/Underline.
13. Shared Parking Demand Study by Crain and Associates, December 16, 2016.
14. June 20, 2018 Applicant Request Regarding Condition No.18.
15. Originally Proposed Condition No. 18

RECOMMENDED MOTION(S)

That the City Council:

1. Introduce an Ordinance approving, Zoning Code Map Amendment, No. P2017-0021; and
2. Adopt a resolution approving General Plan Map Amendment, No. P2017-0021 and a reduction in the number of required parking spaces, subject to conditions of approval in Exhibit A of Planning Commission Resolution No. 2017-P015.

NOTES:

1. Comprehensive Plan Amendment No. 7 - The Culver Studios contributed \$1.00 per square foot of net new development to a mobility fund as part of its public benefit contribution in the project Development Agreement.
2. CCMC Section 17.320.025 is intended to allow for reductions in the amount of required parking when it can be demonstrated that project peak and off-peak parking demand can be adequately handled with a reduced parking supply. The project parking demand and related requirements are:

Use/Criteria	Areas (SF)	Required/ (CD Zone)	Required
Office Space	55,611	1/370 SF	150.3
Retail Space	8,158	1/400 SF	20.4
Restaurant	4,234	1/100 SF	42.34
Restaurant - Ground Outdoor Dining	798	1/100 SF	7.98

Restaurant - Roof Top Outdoor Dining	1,786,88	1/100 SF	17.87
Total Project Parking Required (Prior to Parking Reduction and Shared Parking Analysis)			238.9 or 239
Shared Parking Request			23.9 or 24
Total Project Parking Required after 10% Reduction			239-24 or 215
Total Project Parking Provided			215