



MEMORANDUM

DATE: November 9, 2023
TO: Carrie Tai, Community Development Director
FROM: Maricela Guillean, Associate Planner
SUBJECT: DD23-01 - Director Determination for Similar Commercial Use of four (4) or fewer Race Car Simulator Rentals (Amusement or Entertainment Machines).

BACKGROUND

A Use Determination application was submitted to the Planning Division on August 29, 2023. The request (Attachment 1) is to conduct a commercial business involving the rental of four (4) race car simulators as a primary use within the C-2 Downtown Commercial Zone. The proposed use is not specifically listed as a use within in the Commercial Zones of the Hermosa Beach Municipal Code (HBMC) Section 17.26.030.

PROPOSED USE

The applicant submitted a description of the business and floor plan where four (4) F1 race car simulators will be rented out in reserved time blocks. The use will include the rental and sale of professional helmets, gloves, and Virtual Reality (VR) headsets. Customers will be able to book appointment blocks anywhere between 15 minutes to several hours.

USE DETERMINATION

Pursuant to HBMC Section 17.26.040, when a use is not specifically listed in this chapter, it shall be understood that the use is prohibited unless it is determined by the Community Development Director that the use is similar to and not more objectionable than other uses listed. The Director's determination shall not be final until confirmed by the City Council as a consent calendar item on the council agenda following the Director's determination.

Staff evaluated several enumerated commercial uses in HBMC Section 17.26.030 and determined the business description provided by the applicant does not squarely meet the definition and criteria for any commercial uses permitted within the City. Pursuant to HBMC Section 17.26.040, a use shall be prohibited unless a Determination of Similar Use procedure is confirmed by the City Council. The applicant submitted an application for a Determination of Similar Use to initiate the process.

Staff identified and evaluated three existing commercial uses within the Zoning Code to the applicant's proposal including: 1) "assembly halls", 2) "billiard or pool halls", and "sporting/recreational equipment sales, service and rental" uses.

"Assembly Halls" are defined to mean any building, or portion of a building, used for public or private gathering including game arcades with five (5) or more machines. An

"Assembly Hall" use requires a Conditional Use Permit due to the intensity of the use and potential for issues of compatibility.

*Table 1 Excerpt of HBMC Section 17.26.060
C-1, C-2 and C-3 Zones, Land Use Regulations*

USES	C-1	C-2	C-3
Assembly halls	-	U	U
Billiard or pool halls	-	P	P
Sporting/recreational equipment sales, service and rental	P	P	P

Additionally, "game arcade (or amusement arcade)", as defined in HBMC Section 17.04.050, "means any place have five (5) or more coin-operated, slug-operated or any type of amusement or entertainment machine, equipment or facilities for which payment is necessary for the operation and which is the primary purpose of the business. This includes pinball, video games, slot-car racing or other type of game entertainment, but do not include merchandise vending machines." The proposed use consists of rental of VR machines which is similar to amusement or entertainment machines. Although the proposed use is similar to a "game arcade" or "assembly hall", it is of a lower intensity than an Assembly Hall use consisting of the rental of no more than four (4) amusement or entertainment machines.

"Sporting/recreational equipment sales, service and rental" is another enumerated use in the commercial land use table analyzed. The "sporting/recreational equipment sales, service and rental" use is not defined in the Zoning Ordinance. The use is broad in scope and was not found to have intensity or operating characteristics that are substantially similar to the rental of driving simulators. Additionally, it is permitted in all commercial zones; including the Neighborhood Commercial (C-1) Zone the lowest intensity commercial district. The C-1 Zone is intended to serve the daily needs of nearby residential neighborhoods providing access to daily shopping or personal needs and is distributed in small pockets within the coastal zone primarily located near The Strand, and along Hermosa Avenue and Manhattan Avenue. Due to the lower intensity of "sporting/recreational equipment sales, service and rental" use it was not found to be similar to the proposed use.

Pursuant to HBMC Section 17.04.040, "Billiard or pool halls" is defined as, "establishments that provide billiard tables for customer's use." The proposed use has a similar intensity to those operating characteristics of pool halls because both uses provide and operate large, fixed equipment within an establishment and involve the rental of amusement or entertainment machines in blocks of time. Also, the Billiard or pool hall use does not have five (5) or more equipment standard like the Assembly Hall use.

Based on the following findings, staff recommends the Community Development Director find the use similar to Billiard or pool hall uses. The operation of four (4) or fewer racing simulators or amusement/entertainment machines would not attract as many visitors as a larger scale arcade or assembly halls.

In order to make a determination of similarity, the Director shall make all of the following findings:

1. The proposed use shall meet the intent of, and be consistent with the goals, objectives and policies of the general plan;

As proposed, the rental of four (4) or fewer racing simulators (entertainment or amusement devices) use is similar to "Billiard or pool halls use" and should be permitted by right within the C-2 and C-3 Zones. The General Plan Land Use Designations that correspond to the C-2 and C-3 Zones include Community Commercial (CC), Gateway Commercial (GC) and Recreational Commercial (RC) Land Use Designations.

The purpose of the CC land use designation is to allow locally-oriented uses including retail stores, restaurants, professional and medical offices, and personal services. The Community Commercial designation is a major generator of local economic activity with a mix of locally-owned businesses and regional or national retailers present within this designation. The purpose of the GC land use designation is to offer a greater variety of employment, retail, and economic activity to the community. The RC land use designation is to offer a wide variety of recreational and coastal related services to serve both visitors and residents. The proposed rental of four or fewer racing simulators is not inconsistent with the general intent of the underlying General Plan Designations.

Furthermore the proposed use is consistent with the following Goals and Policies of PLAN Hermosa Land Use and Design Element:

Goal 1: Create a sustainable urban form and land use patterns that support a robust economy and high quality of life for residents.

- o Policy 1.4 Diverse commercial areas. Promote the development of diversified and unique commercial districts with locally owned businesses and job- or revenue-generating uses
- o Policy 1.5 Balance resident and visitor needs. Ensure land uses and businesses provide for the needs of residents as well as visitors.
- o Policy 1.9 Retain commercial land area. Discourage the conversion of commercial land to residence uses.

Introducing a new commercial use will assist in retaining existing commercial areas within the City. As demonstrated by the request for a Similar Use Determination, the City has not seen a racing simulator business within the City and will promote the development of unique locally owned business that caters to both residents and visitors alike.

Goal 2: Neighborhoods provide for diverse needs of residents of all ages and abilities and are organized to support healthy and active lifestyles.

- Policy 2.1 Complete neighborhoods. Neighborhoods are complete and well-structured by encouraging, where appropriate, the following:
 - Contain a high level of connectivity for pedestrians, bicycles, and vehicles.
 - Have homes with entries and windows facing the street.
 - Provide a diversity of architectural styles.
 - Have goods and services within a short walking distance.
 - Address the needs of multiple ages and physical abilities.

The proposed use provides a recreational activity for various ages and physical abilities and will serve the nearby residential and commercial uses.

Goal 13: Land uses patterns that improve the health of residents.

- Policy 13.2 Social and health needs. Support the continuation of existing and new uses that enhance the social and health needs of residents.

The operation of four (4) or fewer racing simulators or amusement/entertainment machines is proposed to be a new established use in the City. The introduction of a proposed new use will provide a unique activity to address the social needs of residents.

2. The proposed use shall meet the stated purpose and general intent of the zone in which the use is proposed to be located;

If the determination is made for the operation of four (4) or fewer racing simulators or amusement/entertainment machines as a similar use to the Billiard or pool hall use, the permitted zones the use would be permitted are the C-2 and C-3 zones. HBMC Section 17.26.020.B.2 defines the purpose of the C-2 zoning designation as a zone which "provides opportunities for a limited range of office, retail, and service commercial uses specifically appropriate for the scale and character of the downtown – a resident and visitor serving pedestrian-oriented shopping/entertainment district." The purpose of the C-3 General Commercial Zone, the most intense commercial zone, is to , "provide opportunities for the full range of office, retail, and service businesses deemed suitable for the city, and appropriate for the Pacific Coast Highway and Aviation Boulevard commercial corridors, including business not appropriate for other zones because they attract heavy vehicular traffic or have specific adverse impacts.

The operation of four (4) or fewer racing simulators or amusement/entertainment machines would serve both residents and visitors alike and is consistent with the intent of the C-2 and C-3 Commercial zones.

3. The proposed use shall not adversely impact the public health, safety and general welfare of the city's residents; and

No adverse public health or safety concerns have been identified with the racing simulator business use as equipment will be fixed to single player stations and will consist of no more than four (4) amusement or entertainment stations for rent.

4. The proposed use shall share characteristics common with, and not be of greater intensity, density or generate more environmental impact, than those uses listed in the zone in which it is to be located.

As proposed, the rental of four (4) or fewer racing simulators (entertainment or amusement machines) use is similar to "billiard or pool halls use" which is permitted by right within the C-2 and C-3 Zones. The proposed use involves the rental of amusement or entertainment machines in blocks of time within the facility making it similar in intensity and operating characteristics of pool halls. Pool halls typically require patrons to rent a pool table for an allotted amount of time to accommodate various patrons during business hours. The commercial use will blend and balance the other permitted uses within the C-2 and C-3 zones and will not generate more environmental impacts.

Pursuant to the California Environmental Quality Act (CEQA), the proposed project qualifies for a Class 1 categorical exemption, Existing Facilities as defined in section 15301 of the CEQA Guidelines, as it involves no expansion of an existing use and would not result in a direct or reasonably foreseeable indirect physical change in the environment.

All findings can be made to determine the rental of four or fewer racing simulators (entertainment or amusement devices) use is similar to "Billiard or pool halls use" and should be permitted by right within the C-2 and C-3 Zones.

NEXT STEPS

Pursuant to HBMC Section 17.26.040, if the Director of Community Development determines the proposed use is similar to "billiard or pool halls" use, the determination shall be confirmed by the City Council as a consent calendar item on the Council agenda following the Director's determination.

Attachment

Application/Business Description