



Staff Report

File #: REPORT 15-0480, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of June 23, 2015

DOWNTOWN CORE STRATEGIC PLAN UPDATE *(Continued from meeting of June 9, 2015)* (Economic Development Officer Shelli Margolin-Mayer)

Recommended Action:

Receive and file this report.

Background:

The Downtown Core Revitalization Strategy is intended to provide a comprehensive approach for increasing the vitality of the downtown including assessing the role of key private sites and potentially leveraging City assets to achieve City goals. On February 24, 2015 the Council accepted the Strategy and a set of Principles and Guidelines to help guide implementation of the Strategy. The Strategy components and implementation paths include the following:

- The Hermosa Avenue and Pier Plaza improvement components have been referred to Public Works to refine concept plans before seeking input from relevant Commissions (Public Works and Planning Commission for Hermosa Avenue; Public Works, Parks and Recreation and potentially Planning Commission for Pier Plaza).
- Catalyst hotel development should be guided by the Strategy and Principles and Guidelines.
- Begin discussions on a comprehensive downtown and interceptor parking facilities.
- The zoning code related concepts of the Parking Strategy and commercial uses have been referred to Community Development, Economic Development and the Planning Commission. Some of the other Strategy components also address private development and the public/private realm interfaces. Community Development is addressing how these projects and programs relate to the General Plan/Coastal Land Use Plan Update. A purpose of the Update process is to test and integrate the various independent planning and programs underway into one comprehensive, long-term plan that reflects a common vision and provides a framework for aligning policy and programs.
 - The Planning Commission began reviewing the strategy's recommendations at their June 16th meeting during a special study session. They will continue reviewing the recommendations at their next meeting. Staff will then begin the process of making the necessary code changes to bring back to the Planning Commission for approval. It is anticipated that the zoning code changes will come before Council in Q1/2016.

Analysis:

The various components of the Downtown Core Revitalization Strategy work together to advance a desired future vision. It is important to keep the overall context and Principles in mind as we move forward into the implementation stage:

- **Proactive strategy:** The Downtown Core, between 10th and 14th Streets and the Strand and Palm Drive focused on Hermosa Avenue and Pier Plaza is the heart of Hermosa Beach, and should be enhanced as the focus of social life in the city. It is part of the Downtown District, bounded by 15th Street, 8th Street, extending along Pier Avenue to Valley Drive.
- **Family-friendly, inviting to all:** Create an environment that appeals to the increasingly stable, diverse and family-oriented population and allows them to mutually co-exist, rather than being a place dominated by one group at the expense of another.
- **Daytime district:** Increasing the day-time population will add life and vitality that goes beyond the typical recreationally oriented uses that have been historically attracted to the beach setting of Hermosa Beach.
- **Pedestrian oriented:** Develop the Downtown Core as a pedestrian and people oriented place with an appropriate mix of uses and quality of development that contributes to a more sociable, publicly-spirited and economically viable place.
- **Eclectic beach character:** Improvement of parking facilities and management within the Downtown Core is essential to increasing economic vitality and maintaining the eclectic character of a district with small local businesses anchored by catalyst projects that provide synergy and support.
- **Distinctive retail district:** Create a distinctive and well-defined retail district with quality shops and restaurants on the ground floor that are pedestrian oriented, family-friendly and appealing to a wide range of people.
- **Catalyst development:** High quality hotel development that respects the scale and unique character of Hermosa Beach and provides significant quality public spaces and benefits can enhance the hospitality, identity, and economic viability of the Downtown District.
- **Public investment:** Realizing the full potential of the Downtown Core requires investment in the public realm and public-private partnerships which signal the City's commitment to the area and further city goals, attract economic enterprises, and reduce the negative social behavior that occurs within the Pier Plaza area.

For each component of the strategy, staff provides a recommendation on the next steps for council review and confirmation. Generally, each component would be referred to the specified department (s) to develop additional information, provided to the relevant city commissions to solicit public input, and then forwarded to the City Council for direction on implementation.

The Planning Commission began reviewing the various components to land use and zoning codes as they relate to the strategy on April 21st and May 19th, 2015. They have requested a special study session to go over each element in detail. They also have the ability to make comments on the following improvements. The Public Works Commission will also have an opportunity to review the strategy during their July 2015 meeting, as currently scheduled.

Hermosa Avenue Streetscape Improvements: The Revitalization Strategy proposed streetscape improvements on Hermosa Avenue between 10th and 14th Streets with diagonal parking on the east side of the street and landscape improvements on both sides of the street as well as in the median.

These improvements are similar in concept to what was undertaken on Pier Avenue by the City.

These proposals have been forwarded to Public Works for input, further evaluation and development of a Request for Proposal for the design of the streetscape improvements. The effort would include design, a review of traffic, parking and other considerations, coordination with utilities, preparation of a preliminary cost estimate, and options for funding and financing. Then, it will go to the Public Works Commission for consideration and public input, and its recommendations will then be forwarded to the City Council for approval. Implementation steps will include commitment of funding and direction on the preparation of construction documents.

Pier Plaza and Strand Improvements: The proposal is for extending the line of palms, planting a second row of canopy trees to provide human scale, new lighting, banners and banner poles, and removal of obstructions in the pavement. Council also recommended consideration of fountains and/or sculptural elements in the plaza. For the Strand, introduction of a children's play area, adult fitness equipment and a bicycle kiosk were noted. Revitalization of Nobel Park can also be reviewed as part of the implementation strategy. The purpose of all of these is to create a more diverse, family-friendly environment.

These proposals have been forwarded to Public Works in coordination with Community Resources, Economic Development, Community Development and consultation with Police to outline the improvement program, develop cost estimates, and evaluate potential funding and financing sources. A Request for Proposal for the design of the streetscape improvements will be coordinated by Public Works and Economic Development. From there, the proposals would go to a joint Public Works and Parks and Recreation Commission meeting for consideration and public input and based on the recommendations of these Commissions, they would be forwarded to the City Council for direction on implementation. Implementation steps will include commitment of funding and direction on the preparation of construction documents.

A single Request for Proposal will be written for the Hermosa Avenue Streetscape Improvements and the Pier Plaza and Strand Improvements.

Downtown Core Parking Structures: Although the Revitalization Strategy proposes the construction of a public parking structure south of Pier Plaza adjacent to 11th Street on Lot A, Council has emphasized developing interceptor public parking near upper Pier. This parking structure would provide additional parking to meet commercial demand created by restructured zoning regulation to encourage revenue generating uses on ground floor spaces and office and service uses above. Additional parking will also serve visitor parking demand and promote foot traffic throughout the Downtown and along PCH.

The attached Downtown Parking Conceptual Master Plan reflects the opportunity for development of public parking structures at the Community Center and City Hall (with a new civic center). Phasing could include underground parking structures at the Community Center and a future Civic Center built over underground parking. The Community Center improvements should include replacement of the existing tennis courts and skate park. There would be an opportunity for additional recreational uses on top of the structures.

The Downtown Parking Conceptual Master Plan also depicts possible opportunities for Lot D and

demand pricing for parking near the beach to encourage the City Council's sustainability goals. A demand pricing program could include low rates in facilities that capture traffic as it enters the Downtown to encourage folks to get out of their cars and walk (or take a proposed electric trolley) through the Downtown. This would help support Downtown businesses as well as the Council's Carbon Neutral goals. In order to make this option more feasible, a pricing scheme should be employed with higher public parking prices the closer parking is to the beach.

These concepts are being discussed with Community Development, Public Works, Economic Development and the City Manager with input from Finance. The next step would be to have a feasibility study performed that includes phasing. The Public Works Department would coordinate the Request for Proposal to confirm cost estimates, identify any related infrastructure improvement requirements, identify funding options in coordination with Economic Development, and prepare a construction phasing strategy. Finance would also assist in identifying potential revenue streams, funding and financing options. The proposal will then be forwarded to the Public Works Commission for recommendations to City Council for action.

Bolour Associates requested and was granted permission to include parking Lot B in their hotel/mixed commercial development application. The Council has also granted OTO Development permission to include Lot A in a future application for a hotel project including mixed commercial, parking and public amenities with a concept to be presented to City Council. It has been indicated by the developers that such development proposals would likely replace existing public parking and provide parking for the subject developments, rather than providing a new source of parking for other uses. More information on the status of these projects should be provided within the next few months. Should Lot B (and/or A) not be included within the subject developments then they could be included within the City's parking discussion.

Land Use and Zoning Recommendations: The Revitalization Strategy recommended that certain zoning and land use regulations particularly related to the Downtown Core be modified and/or augmented. These included requirements for active ground level uses promoting vibrancy and revenue generation on Hermosa Avenue, Pier Plaza and on the Strand between 13th and 11th Streets, and augmenting provisions in the ordinance to facilitate upper floor office and service uses development, and modify parking requirements in the zoning ordinance to encourage a pedestrian and bicycle oriented district, and to allow flexibility to meet parking requirements offsite and in public parking facilities rather than onsite:

1. Pier Avenue, from PCH to Hermosa Avenue and including the Community and Civic Center sites and Hermosa Avenue and the Downtown Core from 10th to 14th Streets should be designated as a pedestrian-oriented district, with special incentives and provisions to minimize the impact of parking and to encourage pedestrian and bicycle mobility.
2. Required parking in the pedestrian-oriented district should be allowed, to provide off-site, rather than the current 25% of required on-site parking for buildings with greater than a one floor-to-area ratio (FAR). This is only currently allowed in the SPA-11 zone (Pier Avenue east of Hermosa Avenue to Valley Drive) as an incentive to conserve iconic buildings (Section 17.38.550(D)).
3. There should be a reduced amount of required parking for commercial (office and retail) uses

within the pedestrian oriented district. Currently one space per 250 SF is required for these uses, however, the Coastal Commission recently provided for a reduced standard of 1/333 SF, which is more consistent with other beach communities, contingent on a parking evaluation from the City which should be undertaken.

4. There should be a reduced amount of required parking for restaurant uses within the pedestrian-oriented district. Currently, one space per 100 SF is required. Cities such as Redondo Beach utilizes a one space per 250 SF for pedestrian-oriented districts, which should be considered in Hermosa Beach as well.

5. Outdoor seating should be encouraged for the creation of a more sociable environment within the pedestrian oriented district. The determination of the appropriate amount of outdoor seating within the public street right-of-way should be based on lot frontage length, maintaining adequate space for pedestrian circulation and considerations related to adjacencies and public safety. These are to be determined on a case-by-case basis at a staff level by the Community Development Director and Public Works Director. Parking requirements for outdoor seating should be reduced appropriately to encourage the diversity of types of establishments within the downtown district and in particular within the Downtown Core. For example, in Redondo Beach, no additional parking is required for the first 12 seats of outdoor seating.

6. Parking requirements should be reduced for mixed use buildings on a single lot that generate parking demand during different times of the day without the need for a discretionary action by the City. There are currently a variety of conditions upon which the amount of parking reduction may be allowed or a fee paid in lieu of providing parking, but a discretionary review is required.

7. Upper level office use should be encouraged to attract a lively downtown environment and provide a greater daytime population that supports retail and restaurant uses. Parking for upper level office and service uses should be reduced and located off-site in shared parking and public parking facilities.

8. Vehicular parking requirements should be reduced in exchange for the provision of additional bicycle parking, beyond what is already required by the City. This provision is currently limited to development along Pier Avenue. An equivalence of 4 bicycle spaces for one car space, up to 20% of the parking required for non-residential projects should be considered (which is the provision allowed in the City of Los Angeles and other cities' zoning codes). This includes the required bicycle parking and any additional bicycle parking.

9. For an existing non-restaurant use that is converting to restaurant use and whose parking requirements are met in common facilities within the pedestrian-oriented district, a credit against the future parking requirements should be allowed, based upon the zoning requirements of the existing use. Currently this is not allowed for some types of restaurants in the downtown district.

10. Parking requirements for commercial uses within the pedestrian-oriented district should be allowed in common facilities within a quarter mile walking distance. This is currently only allowed for second floor office space as an incentive to conserve iconic buildings in SPA-11 zone along Pier Avenue.

11. Parking requirements for commercial uses within the pedestrian-oriented district should be

based on a net usable building square footage basis that is, not including for example, bathrooms, hallways, lobbies, service, storage and mechanical rooms.

Parking studies were undertaken in summer 2014 as part of the General Plan Update to support this work.

Catalyst Project: The Catalyst Hotel Development Strategy includes the following:

- A. High quality hotel development that respects the scale and unique character of Hermosa Beach and provides significant quality public spaces and benefits can enhance the hospitality, identity, and economic viability of the Downtown District.
- B. Catalyst hotel projects provide strategic, transformative and differentiated development:
 - Rather than representing “business as usual,” catalyst projects define, enhance and communicate the City’s brand, and activate community involvement, participation, and innovation.
 - Advance community objectives to maintain our small beach town character, enhance economic and environmental sustainability, and support an active healthy lifestyle.
 - Provide significant and demonstrable positive effects on the social and economic fabric of the Downtown District, including benefits to residents, businesses, and visitors.
 - Make significant contributions to a livable and sustainable community.
- C. Catalyst development that provides public benefits may merit public/private partnerships or incentives of various types, including potential use of city assets, consistent with community objectives and values and these guidelines. High priority benefits include:
 - Includes uses, amenities or spaces that provide the ability for the public to use or derive benefit from the project.
 - Provides space and design that facilitates a more diverse and balanced mix of uses that appeal to residents as well as visitors.
 - Provides a unique hotel product with a quality design and experience that strives for a top rating of four-star or higher at all times.
 - Design and operation that reduces vehicle trips in the Downtown.
 - Demonstration of environmental leadership through development design and operations consistent with the city’s carbon neutral goal.
 - Design and operation that expands opportunities for walking, biking, and use of alternative modes.
 - Demonstration of marine protection through development design and operations that result in net zero urban and stormwater runoff.Other priorities include:
 - Minimizing parking demand through use of shuttles, carsharing, etc.
 - Improvements or investments that serve as a catalyst to carbon reduction by others.
- D. Catalyst development design exhibits the following:
 - Takes a holistic and integrated approach in order to maximize community benefits and

compatibility.

- Creates high quality public spaces for uses that appeal to a diverse population throughout the day and create synergy with nearby development.
- Community spirited improvements or public benefits may be located on property being developed for a hotel or other catalyst project, or on other property that is associated with the comprehensive development project.
- Maintains the connectivity of the mobility grid (streets, alleys, pedestrian and bike pathways) so people can continue to easily move from place to place, especially by walking and biking.

E. Hotel development with frontage on Pier Plaza, The Strand between 11th and 13th Streets, Hermosa Avenue, or Pier Avenue exhibits the following:

- The ground floor frontages on the Pier Plaza, Hermosa Avenue and The Strand between 11th to 13th Streets must provide quality public spaces appeal to a diverse population and create a more sociable and attractive place.
- Parking, driveways, walls lacking permeability (without windows and doors inviting to the general public), and ground floor non-retail uses (including uses such as offices and appointment-driven services) must be avoided.
- Provision of high quality public spaces on the ground floor and roof terraces which enhance opportunities to enjoy the unique beachfront setting of Hermosa Beach but do not add stories may merit consideration of increased height. Any increased height is subject to a vote of the people.

Potential Funding

SB 628 - "Enhanced Infrastructure Financing Districts (EIFD)" was approved by the State earlier this year. It is a tax increment financing program which municipalities can capitalize on in the same manner as former redevelopment agencies. In brief, EIFDs can fund streetscape improvements, parking facilities and parking projects, trolleys, and municipal buildings. Staff will come back to Council with more information on EIFD opportunities for the entire city.

Attachments:

1. Downtown Parking Conceptual Master Plan
2. Potential Phasing of Underground Structures at the Community Center
3. Project Timelines - Table
4. Downtown Core Revitalization Strategy (accepted by Council 2/24/15)
5. Guidelines Reflecting Downtown Core Revitalization Strategy (accepted by Council 2/24/15)
6. Planning Commission Staff Report - May 13th, 2015

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Approved: Tom Bakaly, City Manager