



Staff Report

File #: REPORT 19-0536, Version: 1

Honorable Chairman and Members of the Hermosa Beach Planning Commission

Regular Meeting of August 20, 2019

Potential Municipal Code text amendment to the M-1 Light Manufacturing Zone to consider allowing Cypress District businesses to host openings or events to showcase and offer products for sale on a limited basis.

Applicant: City of Hermosa Beach

Recommended Action:

As directed by the City Council, Staff recommends that the Planning Commission study the request for Cypress District businesses be permitted to operate in a more creative way consistent with the General Plan through consideration of amending the M-1 Light Industrial Zone and the appropriate permitting process to allow businesses to host openings or events with limited retail sales, and set a public hearing for the necessary amendments to the zoning ordinance.

Background:

At its meeting on July 9, 2019, the City Council reviewed a request letter and heard public comments from Mike Collins, business owner of ShockBoxx, requesting initiation of a Municipal Code amendment to the M-1 Light Manufacturing Zone in the Cypress District. The letter, which represented six businesses and property owners, asked for consideration to update the M-1 Zone to allow for "current and emerging, businesses, shop owners, and tenants, to conduct business in a more creative way," particularly regarding special event limitations. At that meeting, the City Council directed staff to consider this matter at a future City Council meeting.

At its meeting on July 23, 2019, the City Council considered initiation of a Municipal Code amendment to the M-1 Zone and the appropriate permitting process to allow Cypress District businesses to host openings or events with limited retail sales. After discussion, the City Council directed the Planning Commission to consider a Zoning Code Text Amendment for the M-1 Zone in the Cypress District and recommend changes to the City Council for potential adoption.

Analysis:

The Cypress Avenue industrial area has a mix of older and newer buildings within which businesses operate; some are established businesses in operation for decades and others are newer businesses investing in the area and finding that the M-1 Light Manufacturing Zone is restrictive for their proposed business operations. The M-1 Zone states the specific purpose is to provide "for a range of light manufacturing and warehousing and distribution uses and certain appropriate service commercial uses." The M-1 Zone allows accessory administrative offices but generally does not allow uses that serve the public directly, such as retail sales or art galleries. For example, artist studios are permitted in the M-1 Zone, but not galleries.

Some new businesses, including artist studios on Cypress Avenue, have obtained permits for Temporary Minor Special Event Permits for art-oriented events. The popularity of these events has prompted businesses to request modification of the M-1 Zone to regularly allow events without seeking a Temporary Minor Special Event permit for each event or be limited to 12 per year.

Similarly in 2018, in response to business requests for a simpler special event process in commercial zones, the City Council approved a Zoning Code amendment with a new administrative permit process for qualifying events and definition for Limited Live Entertainment:

Entertainment, Limited Live. "Limited live entertainment" means the provision of live entertainment as defined herein, but only as accessory to an established on-site use during normal business hours for limited periods of time outside of late night hours, provided by a maximum of two (2) performers using amplification at any time, that does not typically generate off-site impacts or contribute to impacts within the commercial district or adjacent residential districts in accordance with operational standards in the commercial zoning districts.

This new Limited Live Entertainment permit process does not apply to the M-1 Light Manufacturing Zone nor does it seem appropriate for the types of events that are better described as openings for the purpose of showcasing art or other goods produced or manufactured in the studios. However, the simplified Administrative Permit process, which is obtained once for a two-year period, would be a simpler alternative to the Temporary Minor Special Event Permit, which requires a new application for each event and is limited to 12 per year. To implement a similar permit process, an amendment to the Zoning Code for the M-1 Zone would be required with conditions applicable to the types of special events now allowed through Temporary Minor Special Event Permits.

Expanded special event uses are not consistent with the existing code in the M-1 Light Industrial zone. As directed by the City Council, in order to permit host openings or events to showcase and offer products for sale, the requested Code amendment would be an interim measure until a more comprehensive update is completed for the M-1 Zone consistent with the vision of the PLAN Hermosa General Plan.

Considerations brought up during the July 23, 2019 City Council discussion include:

1. If potential events should be within the building or allowed to expand onto property.
2. If gallery openings and similar activities should be considered as normal business operations or special events.
3. If gallery openings and similar activities should be subject to certain standards and limits such as frequency or hours.
4. Recognition that PLAN Hermosa anticipated some of these desired uses and that business demand has preceded the Zoning Code updates anticipated in the General Plan.

Other related considerations and standards:

1. Should art classes be allowed as part of this consideration? Some existing businesses in the Cypress district currently conduct art and other types of classes.
2. Should gallery openings and similar activities be limited to businesses which face a public street or within an appropriate overlay zone? Some existing building conditions in the Cypress District are not designed for foot traffic or frequent customers.
3. Safety standards to be included such as a safety inspection prior to approval, clear adherence to maximum occupancy within buildings, and barriers and safety lighting if outside property is included.
4. Public parking is available in nearby City-owned lots including at the City Yard, South Park and Clark Stadium.

Options that the Planning Commission could consider (from lenient to restrictive):

1. Amend the M-1 Zone to allow host openings or events to showcase and offer products for sale on a limited basis as an allowable use with appropriate limits and operational standards such as retail as accessory use or during events, during normal business hours, and activities to be contained within the building with all doors and windows closed during events.
2. Amend the M-1 Zone to allow an Administrative Permit similar to the Limited Live Entertainment Permit with one permit for a two-year period in a manner customized for the M-1 Zone with appropriate operational standards such as limits to frequency, hours, and the requirement that all activities be contained within the building and all doors and windows be closed during events.
3. The continued use of Minor Temporary Special Event permits for requested event approval on a case-by-case basis (with some modifications that deal with gallery openings or other events appropriate for the M-1 Zone).
4. Determine that the proposed use is not consistent with the Zoning Code and disallow future Minor Temporary Special Event permits in the M-1 Zone.

General Plan Consistency:

After extensive community discussion and study, the City Council adopted PLAN Hermosa on August 22, 2017. The Cypress Avenue district is located within the Creative Light Industrial (CI) General Plan land use area. The General Plan vision for the Cypress District industrial area is to foster new innovations and creative activity. Creative land uses, including in the Cypress District, are discussed throughout PLAN Hermosa in the following sections:

Creative Economy (p.69)

Artists, like many business sectors, need space to create their art and venues or opportunities to sell their work and can benefit from proximity to one another. To encourage increased artistic activity and support economic development objectives, Hermosa Beach can ensure the space needed to support this industry is provided in an accessible and affordable manner that allows higher levels of

collaboration among artists - all essential ingredients to flourishing creative communities.

Land Use Designations - Creative (p.71)

Creative land use designations are intended to provide space for production, design, and manufacturing uses that support the local employment base and produce goods and services that enhance the brand of Hermosa Beach as a creative and innovative community. Uses that are considered light industrial are to be designed and sited in a manner that ensures their compatibility with surrounding uses.

Designation/Definition (p.73)

CI Light Industrial - Production uses for light manufacturing, creative art, or design services with professional office as an allowed accessory use.

Creative Light Industrial (CI) (p.77)

Purpose - The creative light industrial designation is intended to create a suitable environment for small businesses that rely on manufacturing, warehousing, or production to operate successfully. This designation ensures uses are able to operate in a manner that contributes to local economic activity and diversifies the local employment base while minimizing impacts to adjacent residential uses. The designation fosters new innovations and creative economic activity by providing common gathering areas and meeting spaces to share and exchange ideas.

Appropriate Land Uses - This designation is reserved for the provision of production uses for light manufacturing, creative art, or design services. Flexible use spaces, co-working offices, and creative or “maker” industry incubator spaces are also permitted. Professional office or specialty retail are allowed only as an accessory use to the primary production uses. Residential uses are not allowed in this designation as its intent is to promote and protect industry and production uses that diversify the City’s tax base.

Cypress District Character Area (p. 94)

Future Vision - The intent is to transform both building design and orientation as well as the public realm and streetscape within the Cypress District. This area is the creative, production and light industrial center of Hermosa Beach where ideas, spaces, and creativity are easily shared. The Cypress District includes a variety of flexible use spaces, co-working offices, and creative or “maker” industries.

Intended Distribution of Land Uses - The Cypress District is exclusively designated for creative light industrial uses, with preference toward production uses aligned with green economy. While the area should allow some retail uses, the focus is on specialty trade services and must be accessory to the design or production uses. The Cypress District should support the development of new uses that will bring a wide range of high-quality jobs accessible to people with a variety of skill levels, including research and development and light industrial uses.

Relevant Goals and Policies the City’s General Plan are listed below:

Governance Goal 6. A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.

- Policy 6.5 Creative Economy.

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

- Policies 1.1 Diverse and distributed land use pattern, 1.4 Diverse commercial areas, and 1.8 Respond to unique characteristics.

Land Use Goal 3. A series of unique, destination-oriented districts throughout Hermosa Beach.

- Policies 3.1 Unique districts and 3.2 Compatibility of districts.

Land Use Goal 10. A strong sense of cultural and architectural heritage.

- Policy 10.5 Adaptive reuse and sustainable development.

One of the priority implementation tasks for PLAN Hermosa is to update the Zoning Code to align with the General Plan.

Summary

The intention for a potential M-1 Light Industrial Zone Text Amendment in the Cypress District is to serve as an interim measure to bring the Zoning Code closer to the PLAN Hermosa vision and in anticipation of a more comprehensive update in the future.

Environmental Analysis:

Environmental analysis will be determined based on the recommended action pursuant to the California Environmental Quality Act (CEQA) and California Public Resources Code. Once a course of action is determined, appropriate Environmental Analysis will be conducted at that time

Attachments:

1. Link to 7-23-19 City Council Meeting (p. 9 of Agenda)
2. Excerpt of Zoning Code Chapter 17.28: M-1 Light Manufacturing Zone
3. Excerpt of Zoning Code Chapter 17.42.150: Temporary Minor Special Event Permit
4. Letter from Mike Collins dated July 2, 2019
5. Article "Artists Ask Hermosa Beach for Zoning Modifications in Cypress District" by Michael Hixon printed in The Beach Reporter on July 24, 2019
6. Email received from Gary Clark dated July 25, 2019

Respectfully Submitted by: Christy Teague, AICP, Senior Planner

Concur: Ken Robertson, Community Development Director