



Staff Report

File #: REPORT 21-0166, Version: 1

Honorable Chair and Members of the Hermosa Beach Planning Commission

Regular Meeting of March 16, 2021

CUP 20-8 & PARK 20-5 Conditional Use Permit and Parking Plan Amendment request to provide on-site sale, service, and consumption of general alcohol indoors only within the hotel lounge for registered guests only, 7 days a week 7:00 a.m. to 10:00 p.m. at an existing hotel (H2O Hermosa) and to allow charging a fee for on-site parking located at 1429 Hermosa Avenue, determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

Applicant/Owner: 1429 Hermosa LLC
717 Yarmouth Road
Palos Verdes Estates, CA 90274

Recommended Action:

Adopt the attached resolution, approving the Conditional Use Permit (CUP) and Parking Plan amendment request to provide on-site sale, service, and consumption of general alcohol indoors only within the hotel lounge for registered guests only, 7 days a week 7:00 a.m. to 10:00 p.m. at an existing hotel (H2O Hermosa) and to allow charging a fee for on-site parking located at 1429 Hermosa Avenue, and determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

Background:

ZONING:	C-2 Restricted Commercial
GENERAL PLAN:	CR Commercial Recreation
EXISTING/PROPOSED USE (S):	Hotel with on-site sale, service and consumption of general alcohol indoors
LOT AREA:	11,516 (no change)
BUILDING AREA:	30,250 sq. ft. (no change)
HOTEL ROOMS:	30 Guest Rooms (no change)
COMMON AREAS:	2,950 sq. ft. (no change)
PARKING:	37 spaces (no change)
HOURS OF OPERATION EXISTING/PROPOSED:	Hotel hours: 24/7 (no change) 7:00 AM - 10:00 PM daily (Sale/service/consumption of general alcohol)
ALCOHOL LICENSE EXISTING/PROPOSED:	Type 66 and 70 (existing/proposed)

ENVIRONMENTAL DETERMINATION: Categorically Exempt; Section 15301 Class 1- Existing Facilities

The property is zoned Restricted Commercial (C-2) and is located in the northern end of the downtown area of the City on the southwest corner of Hermosa Avenue and 15th street. Surrounding zoning consists of C-2 and Multiple-Family Residential (R-3) properties to the north and, south of the subject site. Properties to the east and west of the subject site are zoned R-3. Some residential uses on the south side of 15th Court, zoned C-2, are legal nonconforming.

The subject site is currently occupied by an existing hotel use with 30 guest rooms and common areas. The ground level consists of a parking garage with 37 parking spaces, the front desk and lobby, a commercial kitchen, a food service area for the hotels continental breakfast service for use by hotel guests only, and a lounge adjacent to the food service area south of the front desk/lobby area with a total of 34 seats. The second level consists of 15 hotel rooms, restroom, and multi-function room of approximately 336 square feet that can be used for activities for hotel guests only. The third level consists of 15 hotel rooms, fitness room, and an open-air patio/spa/sitting room of approximately 600 square feet at the northeast corner of the building that can be used by hotel guests only.

The project was originally approved in 2013 by the Planning Commission and on appeal by the City Council with some revisions incorporated, however, the entitlements expired before completion of the project, and in 2015 the applicant reapplied for the same entitlements for an almost identical project, proposing only minor changes.

On October 20, 2015 the Planning Commission approved a Precise Development Plan to allow a 30,250 square foot hotel with 30 guest rooms and common areas on an underdeveloped 11,516 square foot lot; a Conditional Use Permit to allow on-sale general alcohol for hotel guests in guest rooms restricted to mini-bars; and a Parking Plan to allow a valet program with 37 spaces provided on the ground level of the hotel, 24 of which were provided in tandem, 9 of which were standard orientation spaces and 4 spaces for queuing in the drive aisle. The hotel operates pursuant to PC Resolution 15-25 (resolution attached). As a part of the Parking Plan, the original project approval was conditioned to provide a parking management plan (to be reviewed and approved by the Community Development Director) for the proposed Parking Plan. Key components of the approved parking management plan include: employee parking permits for on-site parking offered to employees free of charge, 24-hour per day onsite circulation and parking, details of the 24-hour valet parking operations, and reference to the no charge for on-site parking requirement. The proposal for the Parking Plan amendment removes the “no charge for parking” requirement from the parking management plan; and provides additional information regarding the proposed parking fee; all other parts of the approved parking management plan remain unchanged. A redlined version of the approved parking plan is provided as an attachment.

Permits were issued for the project on February 25, 2016, and while the project received final approvals, the existing hotel is operating with a temporary certificate of occupancy. The existing hotel began operation in October 2020. However, due to the pandemic, the hotel was temporarily closed at times. The Building Division can final the project once screening for the roof equipment is installed. The applicant confirmed that the screening materials have been ordered and will be installed within the next couple of weeks once the materials have been delivered.

Analysis:

The applicant requests a new CUP to provide on-site sale, service, and consumption of general alcohol indoors only within the hotel lounge for registered guests only, 7 days a week 7:00 a.m. to 10:00 p.m. at an existing hotel (H2O Hermosa). The request will not include any changes to the existing hotel floor plans, and the proposed on-sale, service and consumption of general alcohol will be provided indoors only on the ground-level lounge, south of the front lobby desk with 32 existing seats, in conjunction with the existing on-sale general alcohol for hotel s within mini-bars located in guest rooms. The applicant is also requesting to allow charging a fee for on-site parking. A Parking Plan Amendment is required to modify Planning Commission Resolution 15-25 Condition of Approval No. 12d which currently prohibits charging a fee for on-site parking.

CUP Criteria, Conditions and Standards:

Hermosa Beach Municipal Code (HBMC) Section 17.26.030 allows the sale, service and consumption of alcohol on-site with approval of a Conditional Use Permit in the C-2 zone. HBMC Section 17.40.020 establishes the criteria, conditions and standards for reviewing; granting and amending CUPs in order to reduce the potential for adverse secondary land use impacts. In considering the granting of any CUP for any use, the following criteria for granting said permit shall be considered:

17.40.020 General criteria for all uses

A. Distance from existing residential uses:

The existing hotel is located at the northern end of the downtown area at the intersection of Hermosa Avenue and 15th Street major commercial intersection, Artesia Boulevard and Pacific Coast Highway with high density residential located on the east of Hermosa Avenue and commercial uses located directly adjacent to the subject site. A 16-unit multi-family residential complex neighbors the subject property to the west while a 12-unit multiple family residential complex neighbors the subject property to the southeast. Additional single-family and multiple-family residences line the east side of Hermosa Avenue east of the subject property as well as along 15th Street Place, west of the subject property.

The proposed general alcohol for on-site consumption would include service in the existing indoor lounge, south of the front desk/lobby area, restricted to hotel guests only and would be an addition to the existing mini-bars for hotel guests within guest rooms. The existing hotel offers a continental

breakfast service in the lounge, however no other food service food service will not be provided in the lounge with the exemption of bagged snacks, such as nuts, chips, and non-alcoholic beverages.

The existing conditions of approval set forth in PC Resolution 15-25 will remain in full force and effect (with exception of Condition 12 d for the parking fee) in addition to the new conditions of approval amended to the resolution.

In addition, general alcohol sales, service and consumption indoors would be limited to the hours of 7:00 AM to 10:00 PM 7 days a week, which, in addition to project conditions, would reduce potential impacts to insignificant levels.

B. The amount of existing or proposed off-street parking facilities, and its distance from the proposed use:

The existing hotel is compliant with current parking requirements, as there are 37 on-site spaces. The existing site is also subject to the approved Parking Plan, which includes conditions of approval to ensure proper use of the valet parking system. The Parking Plan amendment would only revise condition subsection d of Condition 12. Conditions of approval such as “hotel guest, visitors, employees and service providers shall be directed to utilize the 15th Street project driveway to access the site and directional signage shall be provided to this effect. Valet service shall not be provided to assist guest arrival and loading/unloading from the public right-of-way. Signage shall direct guests to pull into the garage for arrival and loading/unloading,” would remain. The existing hotel is also subject to an existing parking management plan approved by the Community Development Director that includes details of the parking system. The approved parking management plan would be revised only to allow for a \$20 per night parking fee. The addition of general alcohol sale, service and consumption for hotel guests within the indoor lounge is restricted to hotel guests and would thus only service those already staying at the hotel and would therefore not increase parking demand.

C. Location of and distance to churches, schools, hospitals and public playgrounds:

The proposed project involves no alterations to the existing building and is limited to providing alcoholic beverage sale, service and consumption available to guests of the hotel only. The nearest church is located to the east of Hermosa Avenue approximately 330 feet from the subject site (First Church of Christ Scientist) and the nearest school is east of the site on Valley Drive (Hermosa Valley School). These uses are generally daytime uses while food and alcohol service activity typically peaks during the evening hours. No impacts to churches, schools, hospitals and public playgrounds are anticipated.

D. The combination of uses proposed:

The existing primary use is a hotel with onsite facilities for use by hotel guests only and onsite sale and service of general alcohol offered in guest room via mini-bars. The proposed sales, service, and consumption of general alcohol indoors would be offered in the existing hotel lounge to hotel guests only 7 days a week 7:00 AM to 10:00 PM. Due to the proposed hours and service to hotel guests

only, the proposed onsite sale, service and consumption of general alcohol is not anticipated to have adverse impacts for the combination of uses. Conditions of approval have been added to the resolution to ensure any impacts will be mitigated.

E. The number of similar establishments or uses within close proximity to the proposed establishment:

The downtown area is home to two other hotels (Grandview Inn and Beach House Inn), a motel (Sea Sprite Motel) and a hostel (Surf City Hostel). Additional hotels in the City are located on Pacific Coast Highway (Hampton Inn and Suites and Hotel Hermosa), and on Aviation Boulevard (Quality Inn). The provision to expand the onsite sale, service, and consumption of general alcohol to the hotel lounge for hotel guests only would be ancillary to the primary hotel use. A similar use in the downtown area can be found at the Beach House Inn. The Beach House Inn was granted a CUP for on-sale general alcohol sales in 2001, which is limited to the use of in-room mini-bars and private banquet rooms used only by hotel guests. Since both the subject business and the Beach House Inn offer alcohol service exclusively to their hotel guests, over-concentration of similar businesses is not anticipated.

F. Precautions taken by the owner or operator of the proposed establishment to assure compatibility of the use with surrounding uses:

In order to prevent potential negative impacts on surrounding properties, hours for the existing hotel facilities such as the multi-functional room and the pool/spa have been limited to 10:00 P.M. The applicant proposes to also limit hours of the onsite sale, service, and consumption of general alcohol within the hotel lounge from 7:00 A.M. to 10:00 P.M.

The proposed sale, service, and consumption of general alcohol are limited to registered guests only. Since the existing lounge is located beyond the front desk/lobby area, hotel front desk and bar staff can easily witness those entering the lounge and will have the ability to confirm that only registered guests are utilizing the on-site alcohol service. Security cameras also currently monitor the front desk and lobby area for additional security. The applicant has also provided their employee alcohol-training handbook, which includes information for guest verification in regard to the alcohol service (attached). Bar staff can verify the names of the registered hotel guests through the hotel's POS system (POS stands for Point of Sales is a computer system which allows business owners to track sales, cash flow etc.).

Finally, in 2020, the Planning Commission approved on-site sale, service, and consumption of beer and wine indoor only at an existing hotel (Hotel Hermosa). Due to concerns from the public and the City's Police Department, conditions of approval were added to the resolution to mitigate potential impacts. The same conditions of approval that were identified by the City's Police Department to lower negative impacts for Hotel Hermosa are included in the conditions of approval for the proposal.

G. The relationship of proposed business-generated traffic volume and size of streets serving the area:

The request for sale, service, and consumption of general alcohol within the indoor lounge for hotel guests only is not anticipated to generate additional traffic to the site. As such, no impacts are anticipated.

H. The proposed exterior signs and décor, and compatibility with existing establishments in the area:

The proposed project does not include exterior signs or décor. No impacts are anticipated.

I. Noise, odor, dust and/or vibration that may be generated by the proposed use:

The original approval for the existing hotel included conditions of approval to limit the hours of operations of the proposed amenities, such as the food service area, the multi-functional room at the second floor level and the pool/spa area to 10:00 P.M. daily, in order to reduce potential noise impacts generated by the proposed use. The proposed sale, service and consumption of general alcohol in the lounge area will be subject to the same hours of operations as the existing hotel amenities. The City's Code Enforcement Division confirmed that since the operation of the existing hotel, there have been no noise complaints/issues for the hotel guest areas. The only complaint that was received was concerning the exterior lighting, which was quickly resolved by hotel management.

Additionally, the hotel with proposed general alcohol sale, service and consumption limited to no later than 10:00 PM 7 days a week, is not considered a late-night alcohol beverage establishment and will not contribute to adverse impacts commonly associated with late-night alcohol establishments. Therefore, the subject request is not subject to the limitations contained within HBMC Section 17.40.080.

The additional conditions of approval are anticipated to reduce the likelihood of noise impacts to neighboring uses.

J. Impact of the proposed use to the City's infrastructure, and/or services:

Impacts to police services have been an issue with some late night alcohol serving facilities clustered in the downtown area. However, given the proposal is not a late night establishment and the prevision only includes on-site sale, service and consumption of general alcohol indoors for hotel guests only, the request is not anticipated to impact City services. Though the proposed use is not anticipated to create adverse affects to the City's infrastructure and/or services several measures have been taken through the conditions of approval to mitigate any potential impacts.

The City is committed to ensuring that hotel establishments are closely monitored and the existing hotel use is conditioned such that "Should the Police Chief determine that a continuing police problem exists, he/she may, subject to appeal to the Planning Commission, direct the presence of a police approved security personnel to eliminate the problem. An appeal to the Planning Commission shall be heard within sixty (60) days of filing the appeal. The Police Chief's determination will not be stayed during the pendency of the appeal. If the problem persists, the Police Chief then shall submit a report to the Planning Commission, which will automatically initiate a review of the conditional use

permit,” (CUP Condition 19). In addition, “The Planning Commission may review this Conditional Use Permit or Precise Development Plan or Parking Plan and may amend the subject conditions or impose any new conditions if deemed necessary to mitigate detrimental effects on the neighborhood resulting from the subject use.” (CUP Condition 30).

Finally, in 2020, condition of approvals that were identified by the City’s Police Department for the CUP Amendment for Hotel Hermosa to mitigate potential services impacts from the proposed onsite sale, service, and consumption of beer and wine at an existing hotel are also applicable here. Thus, the following conditions have been added to the conditions of approval:

11. The establishment shall have security personnel on-duty during the hours of alcohol sales, service and consumption at the owner/operator’s expense. In addition to other security duties at the hotel property, the security personnel shall be responsible for monitoring the dining and alcohol service area to address any loud, boisterous or unruly behavior. If the security personnel are not able to reduce or eliminate incidents and problems at the hotel property, the Chief of Police may direct the establishment to hire additional security personnel, at the owner/operators expense, who will have the sole responsibility of monitoring the dining and alcohol service area within the hotel property. If the problem persists, the Chief of Police shall submit a report to the Planning Commission, which will automatically initiate a review of this Conditional Use Permit and Parking Plan by the Planning Commission. If the establishment can demonstrate that security personnel is no longer necessary to the satisfaction of the Police Chief due to a reduced impact to the City’s services, such as, but not limited to a reduction in the number and severity of Calls for Service (CFS) directly attributed to the hotel property over a twelve month period the Police Chief may modify the requirement for security personnel. If there is no longer a necessity for security personnel, then the requirement to have security personnel shall be annulled upon notification from the Police Chief to the Community Development Director and the applicant. Any other change to the requirement to have security personnel shall require an amendment to this CUP following a public hearing before the Planning Commission.

12. The establishment shall install and maintain a video surveillance system in the ground-level lounge alcohol service area, where alcohol will be consumed. The video surveillance system shall have a retention period of at least thirty (30) days. The establishment agrees to cooperate with the City’s Code Enforcement and Police Department to provide copies of video surveillance for criminal or administrative investigations.

13. The establishment will arrange a meeting with the Police Chief on an annual basis to review the impact of the CUP. During the annual meeting, the Police Department will review the number and severity of the Calls for Service (CFS) directly attributable to the hotel property for the previous twelve months. If there are any increases in the number and severity of CFS directly attributable to the hotel property, the establishment will provide the Police Chief with a plan to reduce the impacts within thirty (30) days of the meeting.

K. Other considerations that, in the judgment of the Planning Commission, are necessary to assure compatibility with the surrounding uses, and the city as a whole: No other considerations are identified.

Parking Plan Resolution Modifications

The existing Parking Plan (Park 15-7) was approved to allow a valet parking program and tandem parking with 37 spaces provided on the ground level of the hotel (24 of which are provided in tandem, 9 non-tandem spaces and 4 spaces in the drive aisle for queuing).

An amendment to the Parking Plan approved in 2015 (PC Resolution 15-25) is required to remove the existing conditions of approval as shown below.

d) No charge shall be made for onsite parking at any time.

As noted in the analysis for the Conditional Use Permit amendment above, the existing site is subject to the approved Parking Plan, which includes conditions of approval to ensure proper use of the valet parking system. Conditions of approval that ensure the proper use of the valet system will not be affected by the applicant's request. Conditions of approval such as "hotel guest, visitors, employees and service providers shall be directed to utilize the 15th Street project driveway to access the site and directional signage shall be provided to this effect. Valet service shall not be provided to assist guest arrival and loading/unloading from the public right-of-way. Signage shall direct guests to pull into the garage for arrival and loading/unloading," will remain. Additionally, the approved parking management plan will only be revised to allow for the proposed parking charge.

The applicant is requesting the Parking Plan Amendment to modify Condition 12 to remove sub-condition 12d, in order to allow a parking fee of \$20 per night. The request to allow the charge of parking would permit the applicant to offer competitive room rates when it comes to marketing and increase their ability to have a sustainably high occupancy rate.

The existing project was conditioned to prohibit the charge of on-site parking in order to address concerns of creating spillover-parking impacts into the surrounding neighborhoods. However, the provision to allow for a parking fee of \$20 per night is not anticipated to generate adverse impacts to neighboring businesses or residents. The existing hotel is compliant with current parking requirements, as there are 37 on-site spaces for the 30-room hotel. The addition of general sale, service and consumption for hotel guests only within the existing lounge would not change the existing hotel use and will provide incidental alcohol service to those already staying at the hotel and would therefore not increase parking demand. Charging a parking fee is a common practice for hotels. Similar boutique hotels in the South Bay also charge for valet parking. The parking fee of \$20 per night is comparable to other hotel parking fees in the area. See the chart below of hotel parking fees for similar hotels in the South Bay:

Beach House Hotel (Hermosa Beach)	\$25
The Shade Hotel (Redondo Beach)	\$26
The Shade Hotel (Manhattan Beach)	\$30
Portofino Hotel (Redondo Beach)	\$28

Since the parking fee is comparable, and even more affordable than other hotel parking fees in the area, the provision to allow for a parking fee of \$20 per night is not anticipated to generate adverse impacts to neighboring businesses or residents. Additionally, the parking fee is comparable with parking fees in the surrounding area. Metered and pay-by-space parking in the downtown area is available for \$1.25 per hour (daily 2AM to 8PM) to \$1.50 per hour (daily 8PM to 2AM). Thus, hotel guests would have to pay between \$22.50 and \$27.00 per night for on-street metered parking. On street parking for hotel guests in neighboring residential neighborhoods is prohibited. Residential areas surrounding the subject site have been identified as "Impacted Parking Areas". Overnight parking within impacted parking areas require residential parking permits purchased through the City's Finance Cashier's Office. Thus, both the hotel operators would encourage hotel guests and market conditions to pay the overnight parking fee and park their vehicles on-site.

Charging a small parking fee of \$20 per night would not impact surrounding areas and could additionally encourage alternative forms of transportation such as ride share services, taxis, carpooling, or bus service, which is preferred in the downtown district and consistent with sustainability and mobility goals of the City. The existing hotel has two 7-bike on-site bicycle racks located on northwest side of the building, facing 15th Street, which is consistent with the 2015 approved plans.

Parking Plan Resolution- Page 10, Modified Conditions 12

d) No charge shall be made for onsite parking at any time

CUP Resolution Modified/Added Conditions

The CUP resolution now includes modification to conditions of approval 13 while adding new conditions 14, 13, 15, 16, and 17 (and renumbering remaining conditions accordingly), to reduce impacts to neighboring properties as well as other motel guests.

CUP Resolution- Pages 10 Conditions 13, 14, 15, 16 and 17

13. The primary use is a hotel. The provision of alcoholic beverages is restricted to mini-bars in guest rooms and the hotel lounge indoors between 7:00 AM and 10:00 PM.

14. The provision of alcoholic beverages shall comply with the following: CUP

- a. The hotel manager and anyone involved in the sale/service of beer and wine shall attend and pass a responsible beverage service training provider program to educate hotel management and servers of alcohol responsibility and California laws in order to serve alcoholic beverages safely, responsibly, and legally, and to prevent illicit drug activity.
- b. Exterior signage or any other form of outside promoting or advertising referencing any food and/or beverage products sold is prohibited.
- c. Food and beverage service shall be available only for hotel guests and shall not be open to the public.
- d. The hotel shall only provide alcoholic beverage services to verified registered guests of the hotel.
- e. All alcoholic beverages shall be served in non-disposable drink ware.
- f. Signs shall be posted in a conspicuous location warning patrons of the illegality of removing alcoholic beverages from the hotel property, and carrying and consuming alcoholic beverages in any public place such as the public sidewalk.
- g. Any substantial deviation, changes to the floor plan, site plan or building exterior, which alters or intensifies the alcoholic beverages service shall be subject to review and approval by the Planning Commission.

15. The establishment shall have security personnel on-duty during the hours of alcohol sales, service and consumption at the owner/operator's expense. In addition to other security duties at the hotel property, the security personnel shall be responsible for monitoring the dining and alcohol service area to address any loud, boisterous or unruly behavior. If the security personnel are not able to reduce or eliminate incidents and problems at the hotel property, the Chief of Police may direct the establishment to hire additional security personnel, at the owner/operators expense, who will have the sole responsibility of monitoring the dining and alcohol service area within the hotel property. If the problem persists, the Chief of Police shall submit a report to the Planning Commission, which will automatically initiate a review of this Conditional Use Permit and Parking Plan by the Planning Commission. If the establishment can demonstrate that security personnel is no longer necessary to the satisfaction of the Police Chief due to a reduced impact to the City's services, such as, but not limited to a reduction in the number and severity of Calls for Service (CFS) directly attributed to the hotel property over a twelve month period the Police Chief may modify the requirement for security personnel. If there is no longer a necessity for security personnel, then the requirement to have security personnel shall be annulled upon notification from the Police Chief to the Community Development Director and the applicant. Any other change to the requirement to have security personnel shall require an amendment to this CUP following a public hearing before the Planning Commission.

16. The establishment shall install and maintain a video surveillance system in the ground-level lounge alcohol service area, where alcohol will be consumed. The video surveillance

system shall have a retention period of at least thirty (30) days. The establishment agrees to cooperate with the City's Code Enforcement and Police Department to provide copies of video surveillance for criminal or administrative investigations.

17. The establishment will arrange a meeting with the Police Chief on an annual basis to review the impact of the CUP. During the annual meeting, the Police Department will review the number and severity of the Calls for Service (CFS) directly attributable to the hotel property for the previous twelve months. If there are any increases in the number and severity of CFS directly attributable to the hotel property, the establishment will provide the Police Chief with a plan to reduce the impacts within thirty (30) days of the meeting.

Attached is the draft amended approval resolution for consideration.

Environmental Determination:

Pursuant to the California Environmental Quality Act, the project is Categorically Exempt from the California Environmental Quality Act as defined in Section, Class 1 Exemption of the CEQA Guidelines. Class 1 exemptions include modifications to existing structures that involve negligible or no expansion of an existing use. The proposal pertains to an existing facility where the hotel operation will be maintained and providing on-site sale, service and consumption of general alcohol in conjunction involves negligible or no expansion of the use. Moreover, none of the exceptions to the Categorical Exemption apply; nor will the project result in a significant cumulative impact of successive projects of the same type in the same place over time, or have a significant effect on the environment due to unusual circumstances, or damage a scenic highway or scenic resource within a state scenic highway. The site is not located on a hazardous waste site and will not cause a substantial adverse change in the significance of a historical resource.

General Plan Consistency:

The establishment is located within the Recreational Commercial (RC) General Plan land use area and the downtown character area. The Recreational Commercial designation is located in the downtown area south of Hermosa Avenue, offering costal-related uses and visitor accommodations. "Restaurants, snack shops, entertainment, lodging, retail, beach rentals and other similar uses are prioritized within this designation and allows on ground or upper floor. Office and personal service uses are allowed within this designation, provided they are located on upper floors." The Recreational Commercial designation plays a role in providing services and amenities to both visitors and residents. "Adjacency to the beach gives this designation the unique opportunity to provide a shopping and dining experience that attracts residents and visitors alike, capturing a large portion of the City's economic activity generated by visitors. (PLAN Hermosa pg. 76).

This project has been evaluated for consistency with the City's General Plan. Relevant Goals and Policies are listed below:

- *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. Strive to maintain the fundamental pattern of existing land uses, preserving residential neighborhoods, while providing for enhancement of corridors and districts in order to improve community activity and identity.

1.5 Balance resident and visitor needs. Ensure land uses and businesses provide for the needs of residents as well as visitors.

1.7 Compatibility of uses. Ensure the placement of new uses does not create or exacerbate nuisances between different types of land uses.

- *Land Use Goal 4. A variety of corridors throughout the city provide opportunities for shopping, recreation, commerce, employment and circulation.*

Policy:

4.8 Neighborhood buffer. Encourage all commercial property owners bordering residential areas to mitigate impacts and use appropriate landscaping and buffering of residential neighborhoods.

- *Mobility Goal 4. A parking system that meets the parking needs and demand of residents, visitors, and employees in an efficient and cost-effective manner.*

Policy:

4.2 Encourage coastal access. Ensure parking facilities and costs of such facilities are not a barrier to beach access by the public.

- *Sustainability and Conservation Goal 3. Improved air quality and reduced air pollution emissions.*

Policy:

3.2 Mobile source reductions. Support land use and transportation strategies to reduce emissions, including pollution from commercial and passenger vehicles.

The existing hotel with proposed on-site sale, service and consumption of general alcohol indoors within the hotel lounge for hotel guests only is a resident and visitor serving accommodation which would be buffered from neighboring residential uses and is an appropriate use within the Recreational Commercial and Downtown Character Area. Additionally, the proposed parking fee for on-site parking promotes the City's goals of reducing air pollution by encouraging alternative modes of transportation while still providing on-site parking at an affordable rate compared to market conditions.

Summary:

The project, as conditioned, is consistent with the Hermosa Beach Municipal Code and PLAN Hermosa and the new conditions of approval, as recommended from the City's Police Department, are anticipated to help reduce concerns from surrounding residents. Staff recommends the Planning Commission adopt the attached amended resolution approving, Conditional Use Permit 20-8 and Parking Plan 20-5 amendment request to provide on-site sale, service, and consumption of general alcohol indoors only within the hotel lounge for registered guests only, 7 days a week 7:00 a.m. to 10:00 p.m. at an existing hotel (H2O Hermosa) and to allow charging a fee for on-site parking located at 1429 Hermosa Avenue, and determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

Attachments:

1. Draft Amended Approval Resolution
2. Applicant Submittal
3. Existing Floor Plans
4. Applicant's Employee Alcohol Training Handbook
5. Redlined Parking Management Plan
6. P.C. Resolution 15-25 (Existing Resolution)
7. Radius Map
8. Poster Verification

Respectfully Submitted by: Yuritzzy Randle, Assistant Planner

Legal Review: Patrick Donegan, Deputy City Attorney

Approved: Ken Robertson, Community Development Director