



## AGENDA REPORT

**Meeting Date:** July 24, 2012  
**Item Number:** D-2  
**To:** Honorable Mayor & City Council  
**From:** Susan Healy Keene, AICP, Director of Community Development  
**Subject:**

THE FOLLOWING ACTIONS RELATING TO 9900 SANTA MONICA BOULEVARD, 9848 WILSHIRE BOULEVARD AND 9817 WILSHIRE BOULEVARD AND ALL IMMEDIATELY ADJACENT PARCELS CURRENTLY ZONED COMMERCIAL (C-3) (AKA THE GATEWAY PROJECT)

A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE BEVERLY HILLS GATEWAY PROJECT, ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM;

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE GENERAL PLAN TO ESTABLISH A GATEWAY COMMERCIAL/MIXED USE/TRANSPORTATION LAND USE DESIGNATION FOR THREE PARCELS OF FORMER RAILROAD RIGHT-OF-WAY PROPERTY LOCATED AT 9900 SANTA MONICA BOULEVARD, 9848 WILSHIRE BOULEVARD AND 9817 WILSHIRE BOULEVARD CURRENTLY ZONED TRANSPORTATION T-1 AND ALL IMMEDIATELY ADJACENT PARCELS CURRENTLY ZONED COMMERCIAL (C-3);

AN ORDINANCE OF THE CITY OF BEVERLY HILLS ESTABLISHING THE COMMERCIAL PLANNED DEVELOPMENT GATEWAY OVERLAY ZONE (C-PD-G) AND AMENDING THE BEVERLY HILLS MUNICIPAL CODE

**Attachments:**

1. Resolution Certifying Final Environmental Impact Report
2. Resolution Amending the General Plan
3. Ordinance Establishing C-PD-G Overlay Zone
4. Planning Commission Recommendation Resolutions
5. June 19, 2012 Agenda Report

## **RECOMMENDATION**

Staff recommends that the City Council move to approve a resolution certifying the final environmental impact report; a resolution amending the General Plan to establish a Gateway Commercial/Mixed Use Transportation Land Use Designation; and, move to waive the full reading of the ordinance and that the ordinance entitled "An Ordinance of the City of Beverly Hills Establishing the Commercial Planned Development Gateway Overlay Zone (C-PD-G), and Amending the Beverly Hills Municipal Code" be introduced and read by title only.

## **INTRODUCTION**

In response to questions received from the City Council at the June 19 meeting, this report provides additional clarification as to how the proposed Overlay Zone objectives and development standards would apply to the subject properties. Staff and the City's environmental consultants will be prepared to respond to questions regarding environmental review of the project at the meeting.

## **BACKGROUND**

At its June 19, 2012 meeting, the City Council held a public hearing to consider a proposed Overlay Zone and general plan designation change (the "Project") as recommended by the Planning Commission. The Mayor closed the public hearing for the project and the City Council's questions of staff, the applicants and consultants were carried over to the City Council meeting of July 24, 2012. The staff report and attachments for the June 19, 2012 hearing are attached to this report.

There are three T-1 zoned properties affected by the proposed resolutions and ordinance. Each of the three T-1 parcels is a large, undivided parcel along North Santa Monica Boulevard, adjacent to smaller commercial-zoned parcels (C-3 zoning) along South Santa Monica Boulevard. Parcel 1 (9900 Santa Monica Boulevard) is the westernmost parcel that extends from the western City boundary to approximately Charleville Boulevard. Parcel 2 (9848 Wilshire Boulevard) extends from Charleville Boulevard to the Wilshire and Santa Monica Boulevards intersection; a portion of Parcel 2 provides parking for Starbucks Coffee. Parcel 3 (9817 Wilshire Boulevard) extends from the Wilshire and Santa Monica Boulevards intersection to approximately Linden Drive and is used by the Budget car rental company.

The proposed C-PD-G Overlay Zone could apply not only to the subject T-1 zoned parcels but also to the C-3 zoned properties adjacent to those T-1 parcels. Under the proposed Overlay Zone, T-1 parcels combined with adjacent C-3 parcels would have the potential for greater height, density, or both, if approved by the Planning Commission and City Council (Overlay Zone Objective #3).

The intent of the Overlay Zone is to encourage combined T-1 and C-3 development on the subject parcels for the following reasons:

- Allows the existing C-3 zoned properties along South Santa Monica Boulevard to redevelop (to address difficulty of doing so now because of shallow lot depths and City parking requirements);
- Allows for provision of parking in excess of Code that addresses deficiencies in the neighborhood (Parcels 1 and 2);
- Links pedestrians between North and South Santa Monica Boulevard and promotes efficient use of parking resources;
- Provides significant open green space such as substantial setbacks at Wilshire Boulevard; and,
- Provides land dedication for roadway improvements along North Santa Monica Boulevard.

### OWNERSHIP

The City Council, upon review of the incentive in the Overlay Zone to combine T-1 and C-3 parcels, requested additional information about the ownership of properties in the subject area.

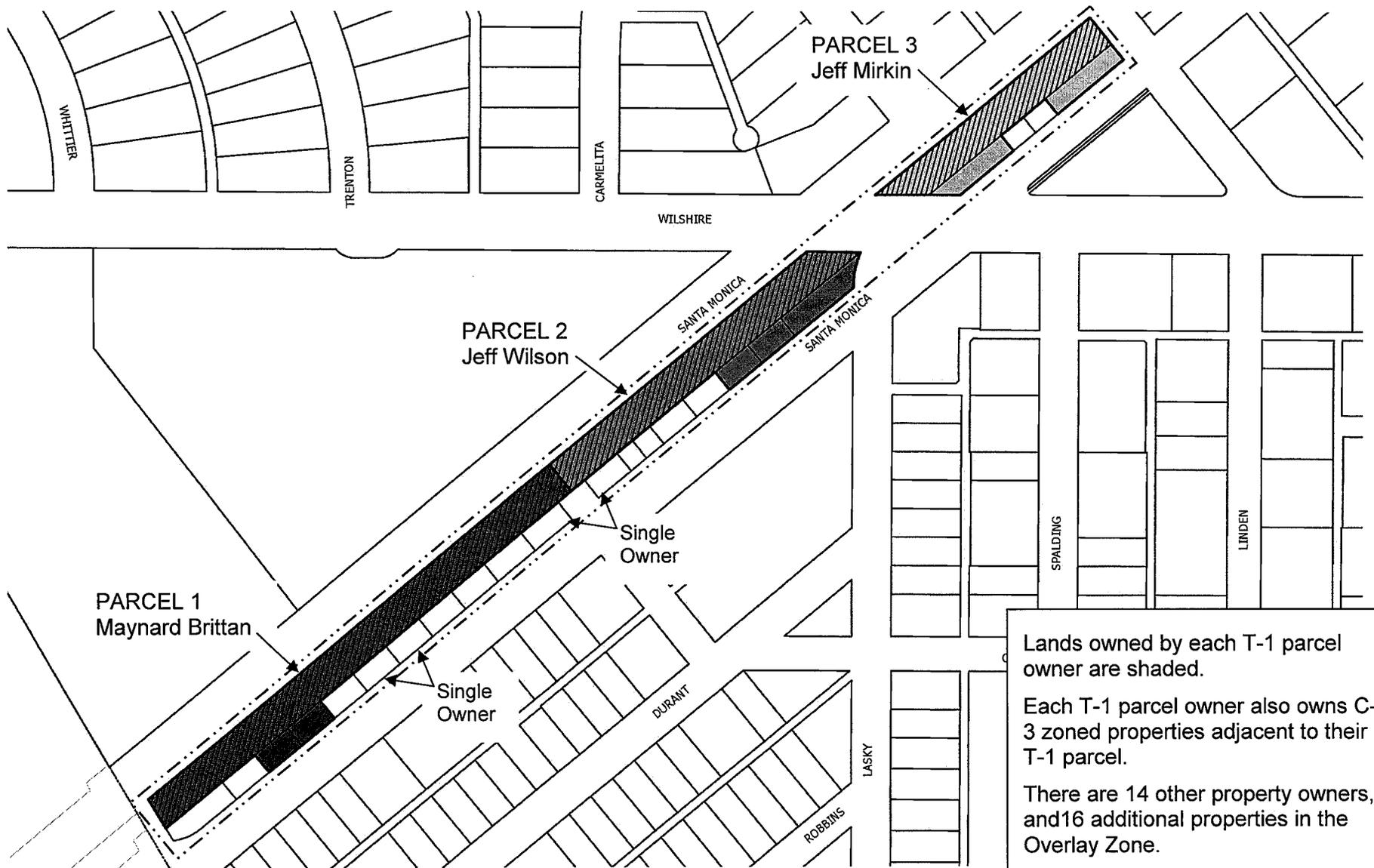
There are fourteen (14) other property owners who own one or two C-3 properties in the proposed Overlay Zone.

T-1 Parcel	Adjacent C-3 Properties Owned by T-1 Parcel Owner	Additional C-3 Property Owners abutting the T-1 Parcel
Parcel 1	2	8
Parcel 2	3	5
Parcel 3	2	2

The proposed overlay zone is intended to encourage the assemblage of lots, and it is anticipated that additional properties would be assembled prior to a development proposal being submitted. The three T-1 Zoned Parcels proposed for inclusion in a C-PD-G Overlay Zone have three separate owners.

For owners of T-1 parcels to request the greater height and floor area ratio (FAR) allowances, the C-3 properties immediately adjacent to each T-1 parcel, or portion thereof, would need to be incorporated into a proposed development project. Currently, each T-1 parcel owner also owns commercial (C-3) properties along South Santa Monica Boulevard adjacent to their T-1 parcel; however none of the three owners has assembled all C-3 properties adjacent to his T-1 parcel. The T-1 zoned parcels, properties that each T-1 parcel owner holds, and properties under other ownership within the proposed Gateway Overlay Zone are illustrated in the following graphic.

# OWNERSHIP AND ASSEMBLED PROPERTIES IN THE PROPOSED OVERLAY AREA



## **DISCUSSION**

The proposed ordinance would establish a Commercial Planned Development Gateway Overlay (C-PD-G) Zone.

### **Eligibility and Requirements for Use of the Overlay Zone Development Standards**

Only the three subject T-1 zoned parcels are eligible to apply for the Overlay Zone; no other T-1 zoned parcel is eligible. Existing C-3 zoned properties that are adjacent to and incorporated into a development with one of the subject T-1 zoned parcels must also be part of the C-PD-G Overlay Zone application. Use of the Overlay Zone development standards would not be by-right and owners of the subject T-1 zoned parcels would be required to go through a public hearing process before the Planning Commission and City Council. Development under the proposed Overlay Zone would be regulated through 14 objectives (Section 10-3-1871) and a series of development standards (Section 10-3-1874) to allow flexibility and creativity for developers.

The properties currently zoned C-3 along Little Santa Monica Boulevard are not eligible to apply for use of the overlay zone; however the development standards have been designed to encourage incorporation of these properties in any future Overlay Zone project. Currently those C-3 commercial properties can be developed using the City's basic commercial development standards of 2.0 FAR and a 45' maximum height and this would not change if the Overlay Zone is adopted. The Overlay Zone only comes into play for the C-3 parcels if they are developed in conjunction with the adjacent T-1 parcel.

### **Overlay Zone Development Standards**

The development standards for the proposed Overlay Zone mainly address height and density (floor area ratio). Setbacks would be determined by the reviewing authority based on the 14 objectives for the Overlay Zone. Objective #s 2, 7, 9, 10. Overlay Zone Objective #12 would allow the Planning Commission and City Council to consider additional height up to 60 feet for a Parcel 1 or Parcel 2 development if that development offers public benefits such as setbacks so substantial that a structure cannot be built at the maximum allowed floor area within a 45-foot high structure.

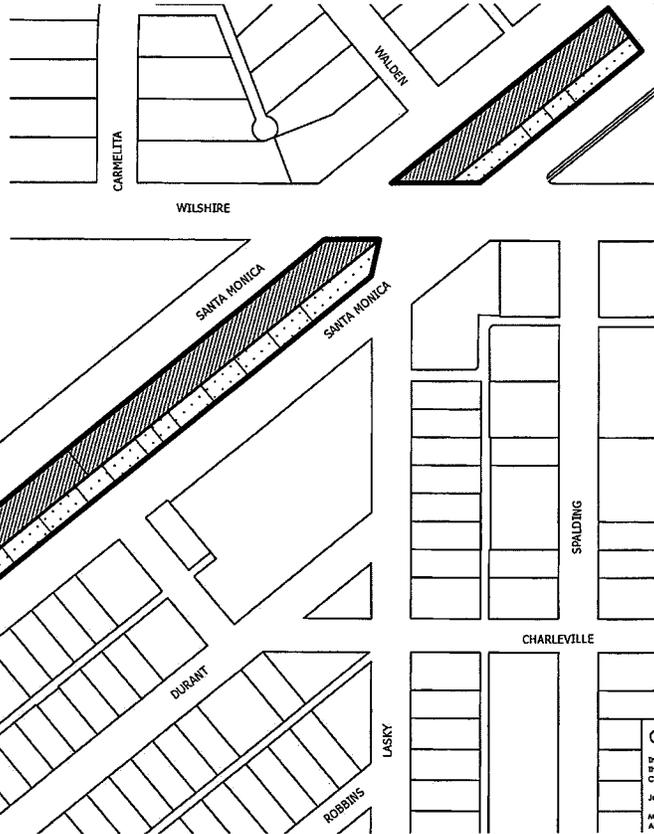
The proposed Overlay Zone allows for three development scenarios, these scenarios are illustrated on the following pages.

**SCENARIO 1. Complete Development of the Area:**

The intent of the Overlay Zone is to encourage assembly of properties.

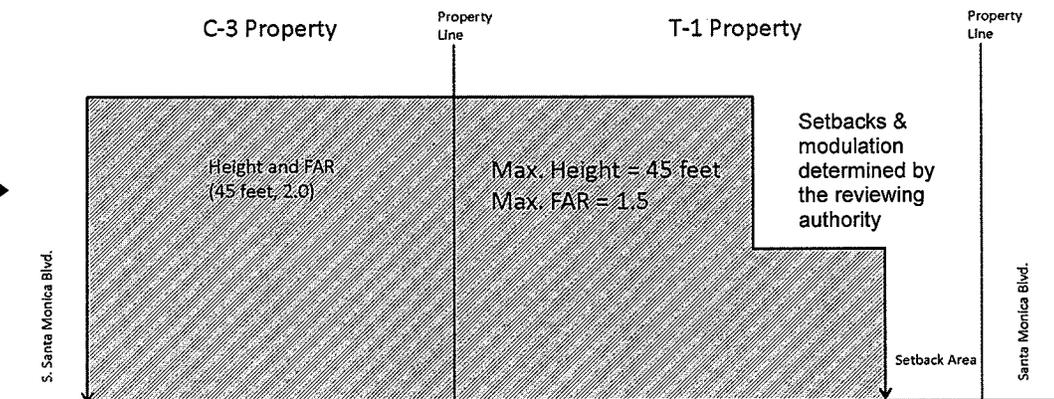
If all properties were assembled, all buildings could be, on the T-1 parcel 45 feet tall with an FAR of 1.5, and on the C-3 property 45 feet tall with an FAR of 2.0,

The option to approve 60 foot tall buildings west of Wilshire Blvd would be available to the reviewing authority.



The development of all lands as one project would provide the reviewing authority with optimal ability to assess the project based on the required objectives proposed in Section 10-3-1871 of the Zoning Ordinance (Attachment 3).

**Cross-Section through the Site Depicting Potential Height and FAR**



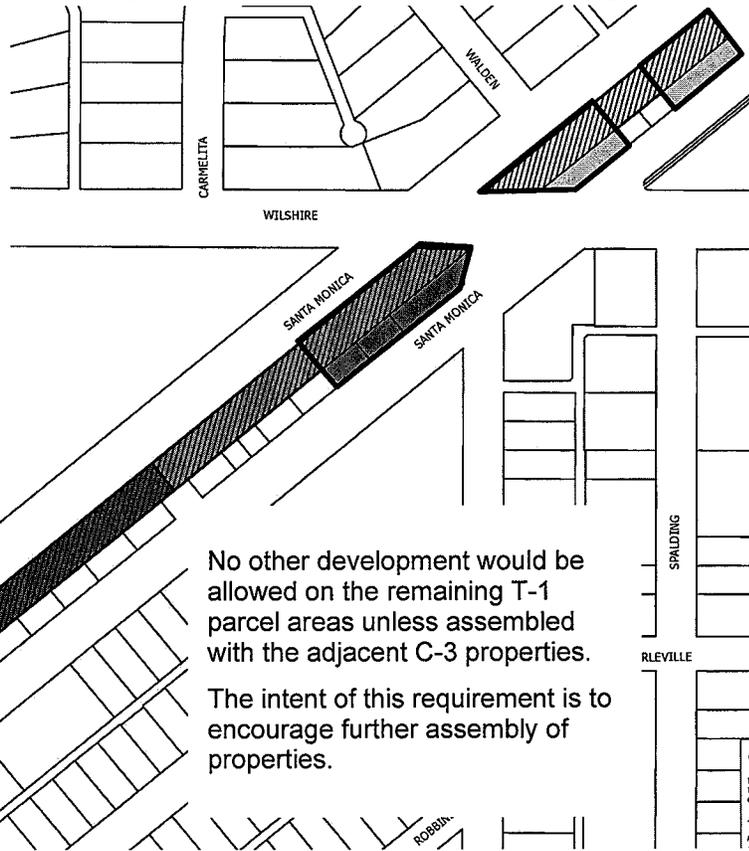
This development scenario would provide the maximum allowance for height and floor area.

**SCENARIO 2. Incomplete Development of the Area (“Combined Project”):**

If all properties cannot be assembled, the T-1 Parcels could be developed with a portion of the adjacent C-3 properties.

If T-1 owners developed with the adjacent C-3 properties which they each respectively own today buildings in the identified areas could be, on the T-1 parcel 45 feet tall with an FAR of 1.5, and on the C-3 property 45 feet tall with an FAR of 2.0,

The option to approve 60’ in height is available west of Wilshire Blvd.



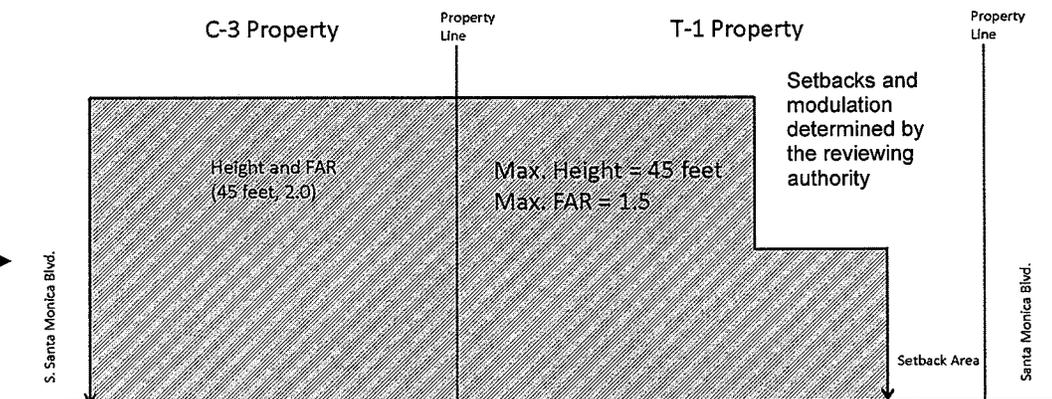
No other development would be allowed on the remaining T-1 parcel areas unless assembled with the adjacent C-3 properties.

The intent of this requirement is to encourage further assembly of properties.

In the scenario where a T-1 parcel is developed with adjacent C-3 parcels, the project is eligible for the following development standards:

- C-3 Parcels – Height: 45 feet, FAR 2.0
- T-1 Parcel – Height: 45 feet, FAR 1.5
- T-1 Parcel (not part of Combined Project) - FAR 0.0

**Cross-section through the “Combined Project” Areas Depicting Height and FAR**

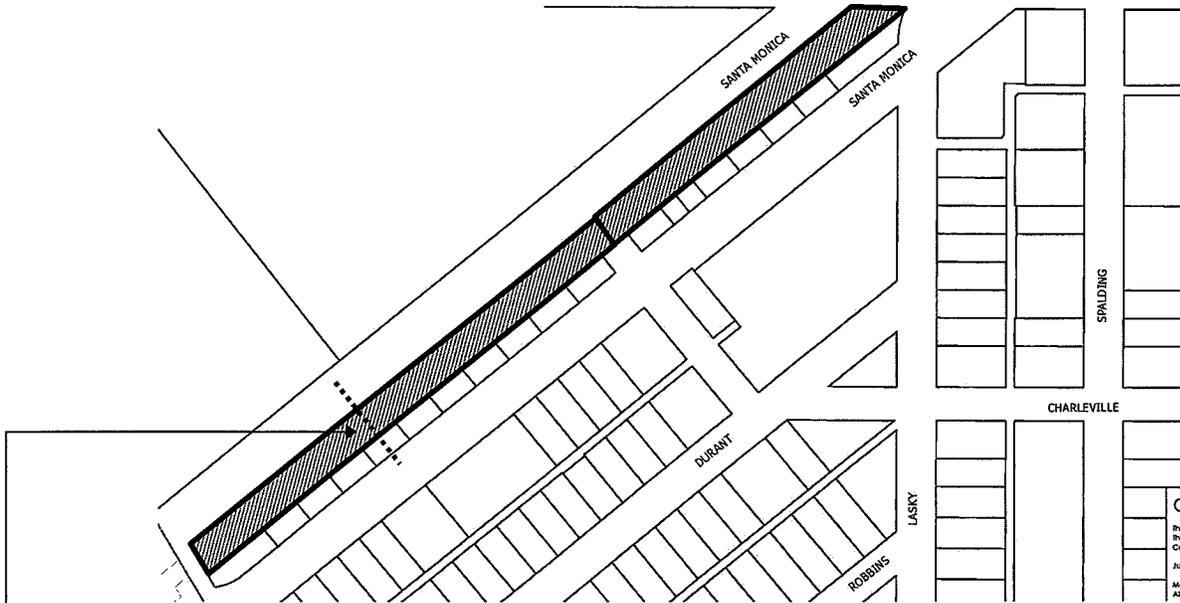
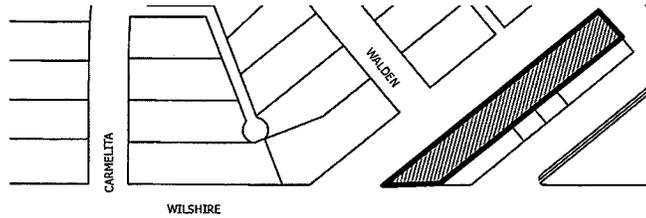


In the scenario depicted on the previous page, a portion of a T-1 Parcel has been developed with adjacent C-3 parcels in a combined development. Pursuant to the Overlay Zone requirements, the remaining portion of the T-1 Parcel not included in the combined development must be landscaped and remain free of structures. This would allow the undeveloped T-1 area to be available in the future for a combined development should the owner of the T-1 parcel gain an ownership interest in the C-3 parcels adjacent to the undeveloped portion of the T-1 parcel.

It is important to note that all green space, public open space, or setback objectives or requirements of the Overlay Zone must be met within the boundaries of the Combined Project. T-1 zoned areas that are not part of the Combined Project cannot be used to satisfy green and open space requirements of the Overlay Zone pursuant to BHMC 10-3-1875 C, so as not to foreclose future combined T-1 / C-3 development.

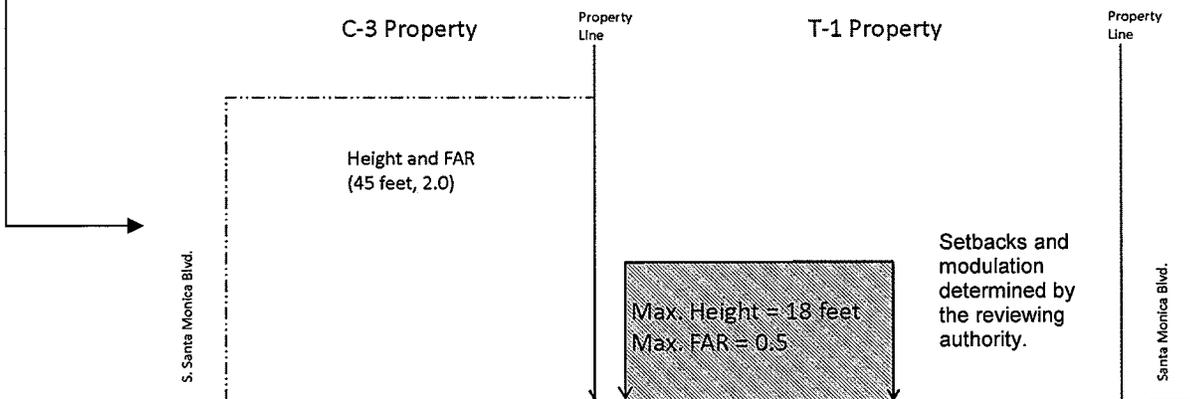
**SCENARIO 3. Development of T-1 Parcels Only (“T-1 Only Project”):**

In this scenario, only the T-1 parcels are developed.



If Parcel 1, 2 or 3 was developed without being combined with an adjacent C-3 property, the project would be limited to a height of eighteen feet (18’), and a Floor Area Ratio (FAR) of 0.5 to 1. This is the most limiting of the development options proposed for the Overlay Zone.

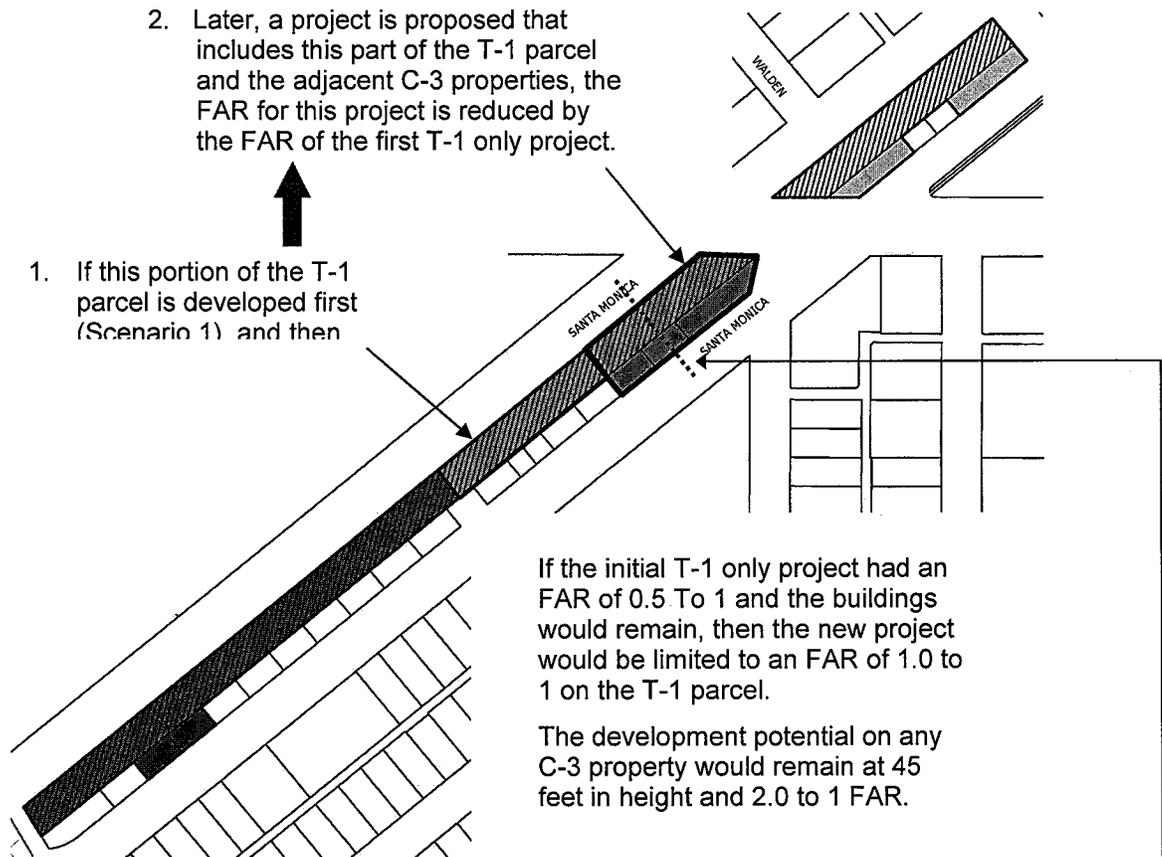
**T-1 Property Developed without Adjacent C-3 Property (“T-1 Only Project”)**



Limiting the height and FAR for T-1 parcel only development projects is intended to encourage assembly of the T-1 parcel with adjacent C-3 properties.

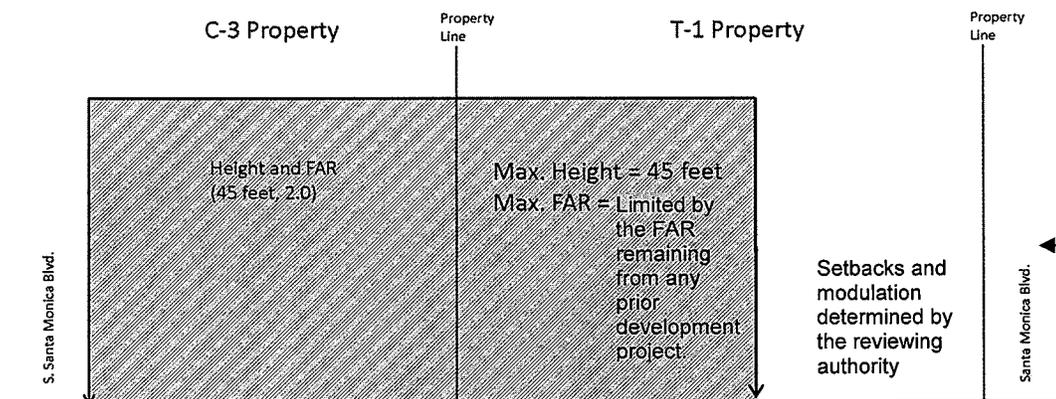
**SUBSEQUENT PROJECTS AFTER INITIAL DEVELOPMENT**

If a T-1 Only Project is built (Scenario 3), and then at some point in the future the site is redeveloped or an additional development is added in the form of a project that combines part of the T-1 parcel with the adjacent C-3 properties (Scenario 2), the new project's FAR is reduced by any portion of initial T-1 only project that would remain.



Once again, this is proposed as a means of encouraging assembly of the properties; this particular requirement would encourage assembly after initial development has occurred.

**Cross-section through Subsequent "Combined" Project Depicting Height and FAR**



### **MINIMUM T-1 LOT SIZE**

A minimum lot size requirement is proposed in the Zoning Ordinance (Section 10-3-1876, Attachment 3) to encourage the initial development of the subject T-1 parcels to incorporate as many adjacent C-3 properties as possible. A minimum lot size of 30,000 square feet is required to apply for the C-PD-G Overlay Zone. T-1 Parcels 1 and 2 meet the 30,000 square foot minimum; however there is insufficient area to subdivide these T-1 parcels and still meet the minimum lot size. T-1 Parcel 3 is smaller than the 30,000 square foot minimum; however Section 10-3-1876 of the Zoning Ordinance allows any T-1 property in existence at the time of the adoption of the ordinance to participate in the Overlay Zone.

### **REVISIONS TO THE RESOLUTION AND ORDINANCE**

Language has been added to Section 8 of the General Plan resolution (Attachment 2) to clarify that the maximum height provided in the overlay zone would apply to the adjacent C-3 properties as well as the T-1 parcels. Language has also been added to the zoning ordinance (Attachment 3) in Section 10-3-1874B to clarify that the height allowances in this section are consistent with the height allowances in the objectives in Section 10-3-1871.

### **PUBLIC NOTICE**

The subject project was noticed for the June 19, 2012 meeting in the *Beverly Hills Courier* and the *Beverly Hills Weekly* newspapers. Public notice was also mailed to owners of commercial property within 300 feet and residential property owners and occupants within 500 feet. Additionally, notice was provided to all individuals that provided comment on the environmental impact report, the Beverly Hills School District, and local neighborhood organizations. Some written correspondence was received during the Planning Commission hearings; those comments were included as attachments to those reports provided as attachments to the June 19, 2012 agenda report. The public hearing on this item was closed on June 19, 2012.

### **FISCAL IMPACT**

The recommendation in this report has no significant fiscal or budgetary impact; however, development that could be constructed pursuant to the proposed regulations could have a positive impact. The economic impact of any particular development will be evaluated when formal applications are presented to the City Council for review.

Susan Healy Keene  
Director of Community Development

Approved By

