

# **ATTACHMENT 5**

## **PLANNING COMMISSION STAFF REPORT (WITHOUT ATTACHMENTS)**



## Planning Commission Report

**Meeting Date:** June 25, 2015

**Subject:** **300-336 North Canon Drive (Rite Aid)  
Medical Use Overlay Zone and Planned Development Review**

Consider a resolution recommending the City Council adopt an ordinance applying the City's Medical Use Overlay Zone to the subject property located at 300-336 North Canon Drive and consider approval of a small walk-in medical clinic at 300-336 North Canon Drive. The proposed project would convert 474 square feet of floor area within the existing retail pharmacy (Rite Aid) to medical use. Pursuant to the provisions set forth in the California Environmental Quality Act, the Planning Commission will also consider adoption of a Categorical Exemption for the project

PROJECT APPLICANT: Thrifty Payless, Inc.

PROJECT REPRESENTATIVE: Elizabeth Camacho

**Recommendation:** That the Planning Commission:

1. Conduct a public hearing and receive testimony on the project; and
2. Adopt the attached resolution conditionally approving the project and making recommendations to the City Council regarding application of the Medical Use Overlay Zone to the subject property.

### REPORT SUMMARY

A request has been made to allow the conversion of 474 square feet of general retail commercial floor area in an existing retail pharmacy to medical office use. The following applications have been submitted for Planning Commission review:

- **Medical Use Overlay Zone.** The Municipal Code generally prohibits the establishment of new medical offices in the City except for properties within a Medical Use Overlay Zone as approved by the City Council, following review and recommendation by the Planning Commission. The subject project is located within the existing 19,044 square foot building occupied by Rite Aid, a retail/pharmacy use. If approved, up to 474 square feet of medical office space could be established within the existing footprint of the building. As a component of applying for the Medical Use Overlay Zone, the project must be consistent with the objectives of the Medical Use Overlay Zone including the provision of public benefits to the City to offset potential negative impacts associated with medical office use.

**Attachment(s):**

- A. Overlay Zone Restrictions & Objectives; Findings
- B. Draft Planning Commission Resolution –Planned Development
- C. Draft Planning Commission Resolution – Zone Amendment for Medical Use Overlay Zone/Draft Ordinance
- D. Trip Generation Assessment
- E. Application
- F. Plans including proposed public benefit (Bound Separately)

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- **Planned Development Review.** Pursuant to the Municipal Code, a Planned Development Review must be processed concurrently with any application for a Medical Use Overlay Zone. A Planned Development Review approval is possible if the reviewing body finds that the proposed project will meet the requirements of the Municipal Code and will advance the objectives of the zone in which it is located.

This report includes analysis of the desirability of medical offices in the proposed location and whether the public benefit offered by the applicant is sufficient to offset potential negative impacts associated with medical office use. Pursuant to the analysis in this report, staff concludes that the proposed project will not be detrimental to the surrounding area and recommends the Planning Commission adopt the resolutions recommending City Council approval of the Medical Use Overlay Zone and approving the Planned Development for the medical clinic, contingent on City Council approval of the Medical Use Overlay Zone.

## PROJECT INFORMATION

File Date	4/16/2015
Application Complete	6/15/2015
Subdivision Deadline	N/A
CEQA Determination	Class 1 Categorical Exemption for minor alterations to existing structures; Class 5 Categorical Exemption because the overlay zone results in minor changes in land use limitations that would allow additional types of commercial uses.
Applicant(s)	Thrifty Payless, Inc.
Owner(s)	WEC 98G-1, LLC
Representative(s)	Elizabeth Camacho, Senior Counsel, Loeb & Loeb LLP
Prior Project Previews	None
Prior PC Action	None
Prior Council Action	None
Prior Entitlements	Open Air Dining for six (6) tables and twelve (12) chairs in 255 square feet of private property. Approved by Director of Community Development 6/2/2014.

## SITE INFORMATION

### Property Information

Address	300-336 North Canon Drive
Zoning District	C-3 General Commercial
General Plan	Low Density General Commercial
Existing Land Use(s)	Retail / Pharmacy
Lot Dimensions & Area	300' along N Canon Dr., by 142.5' along Dayton Way = 42,750 SF
Year Built	1967
Historic Resource	No
Protected Trees/Grove	None

Adjacent Zoning and Land Uses

North	C-3 General Commercial
South	C-3 General Commercial
East	RMCP Multiple-Family Residential-Commercial Parking Zone
West	C-3 General Commercial

The site is located in a Commercial-Residential Transition Area (within 170' of a residential or RMCP Zone)

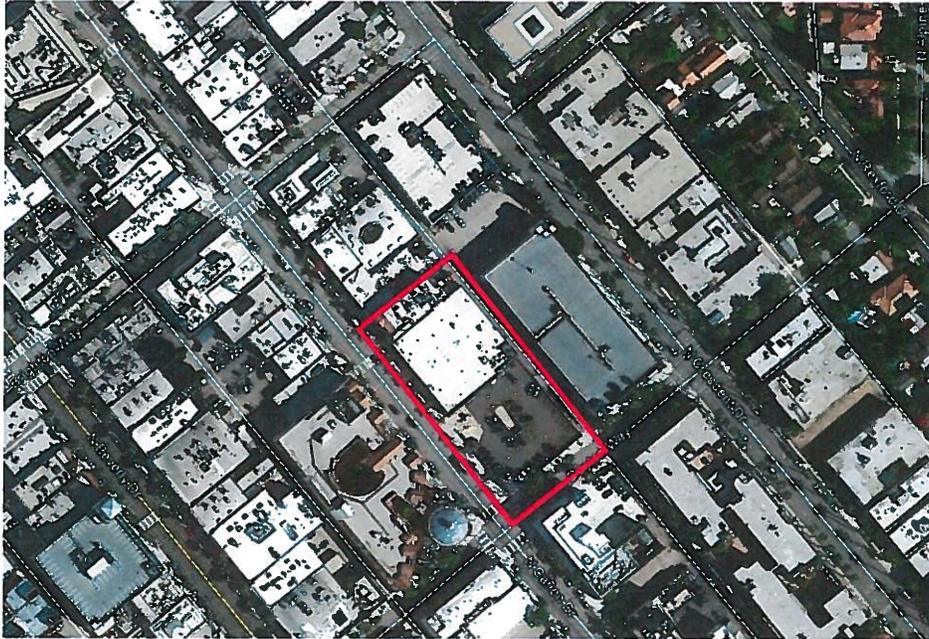
Circulation and Parking

Adjacent Street(s)	North Canon Drive, Dayton Way
Adjacent Alleys	Borders east edge of property, runs parallel to Canon Dr. and Crescent Dr.
Parkways & Sidewalks	15' wide sidewalks along Canon Dr. and Dayton Way
Parking Restrictions	1-hour or 3-hour metered parking on Canon Dr and Dayton Way depending on time of day. No parking (bus stop) on a portion of Canon Dr.
Nearest Intersection	N Canon Dr. and Dayton Way
Circulation Element	N Canon Dr. and Dayton Way are Local Streets.
Estimated Daily Trips 2005	N Canon Dr.: Approximately 11,900 average daily trips. Dayton Way: Approximately 2,500 average daily trips.

Neighborhood Character

The project site is located at the northeast corner of Canon Drive and Dayton Way in the City's Business Triangle. The site is bordered by commercial uses except to the southeast where the City's Senior Housing development is located on Crescent Drive at Dayton Way. The project site differs from adjacent commercial uses in that the Rite Aid store is generally larger than surrounding retail businesses at 19,044 square feet, and nearby businesses generally front on Canon Drive while the entrance to the Rite Aid store faces a surface parking lot. As a result, the Rite Aid store presents a long building wall and a parking lot perimeter wall along Canon Drive, interrupted only by building signage and a parking lot entrance, until Dayton Way where a private training facility is located at the corner of the site. The Rite Aid store includes a newer open air dining area located at the front of the store facing the parking lot, and not visible from nearby streets. The proposed project would affect only on-site operations at the subject site.

### Project Site



### PROJECT DESCRIPTION and BACKGROUND

#### Current Site

The site comprises five lots totaling 42,750 square feet (slightly less than one acre), developed with a one story, 19,044 square foot retail pharmacy store (Rite Aid) located on the northern half of the site and a two-level parking lot located on the southern half of the site. In 2014, a 255 square-foot outdoor dining area (6 tables and 12 chairs) was approved by the City adjacent to the Rite Aid store, located entirely on private property. A 4,675 square foot commercial space is located at the corner of Canon Drive and Dayton Way and it is currently occupied by a private training facility (Physique 57). The two-level parking lot serves both the retail pharmacy store and the smaller commercial space. The parking lot is further described below.

Rite Aid currently provides a traditional range of pharmacy services in the existing 19,044 square foot retail pharmacy store located at 300 North Canon Drive. This includes the dispensation of prescription medication and ancillary services, such as customer consultation and assessment, vaccinations, and other clinical advice and information.

#### Proposed Medical Use

The proposed project consists of the establishment of a 474 square-foot convenient care clinic within the existing retail pharmacy store, resulting in 18,570 square feet of retail pharmacy area and 474 square feet of medical use. The proposed clinic is proposed to be located directly adjacent to the existing pharmacy at the rear of the store. It is proposed to include two clinic rooms, a restroom and associated customer receiving area. Because the proposed clinic will occupy existing floor area, no additional square footage or exterior construction is proposed. The store was recently remodeled, with space provided for the proposed future medical use and this space is currently vacant pending review

and approval of this request. Only limited interior improvements will be required for the medical clinic if the project is approved.

The proposed clinic would provide limited, basic primary care and wellness services in a walk-in format. Services would be provided directly by board-certified nurse practitioners or physicians' assistants working under the supervision of physicians, under the brand name RediClinic. According to the RediClinic website, RediClinic has provided healthcare since 1989, and accepts most major insurance plans. RediClinics are currently open in Rite Aid stores in Baltimore/Washington, D.C., Philadelphia, Seattle and Texas. If a clinic is approved for the Rite Aid in Beverly Hills, it would be the first RediClinic in California although there are competitor clinics located in other pharmacies in California.

RediClinics offer diagnosis and treatment for common conditions such as ear, sinus and urinary tract infections, pink eye, sore throats, coughs, flu, allergies, and insect bites. RediClinic also offers certain preventative and wellness services, such as basic physicals (for school, sports, camp, etc.), vaccinations, health screenings, smoking cessation and weight loss. RediClinic will not treat broken bones or severe lacerations. Services are aimed at the walk-in customer, and no appointment would be required for service. RediClinic is proposed to operate seven days a week and the applicant is determining hours of operation.

The applicant has indicated that the target market for RediClinic services is existing customers of the retail pharmacy store. According to the applicant, marketing data indicates that the store's existing customers match the target demographic for the medical clinic. According to the applicant, surveys of RediClinic customers in other markets conducted from January to December, 2013, indicate that 90% of RediClinic customers are existing customers of the stores in which the medical clinics are located. The overall focus and nature of the store will remain as a retail use.

#### Parking

The site currently provides 108 parking spaces on two parking levels in the following configuration:

- 95 full size regular spaces;
- 5 ADA spaces (4 spaces on the upper level near the Rite Aid entrance; one space on the lower level near the physical training facility entrance);
- 4 compact spaces;
- 4 tandem spaces (specifically designated for instructors for the training facility).

A breakdown of the parking requirements for the proposed project is set forth in the table below.

<b>Proposed Project</b>	<b>Floor Area</b>	<b>Parking Required</b>
Retail/Pharmacy (Rite Aid)	18,570 SF	1 parking space per 350 SF = 54 spaces
Medical Use (RediClinic)	474 SF	1 parking space per 200 SF = 3 spaces
Physical Training (Physique 57)	4,675 SF	1 parking space per 200 SF = 24 spaces
Outdoor Dining on private property (Rite Aid)	255 SF	1 parking space per 350 SF = 1 space
<b>TOTAL REQUIRED</b>		<b>82 spaces</b>
<b>TOTAL PROVIDED</b>		<b>108 spaces</b>

The parking lot is accessed from Canon Drive and is controlled by a parking booth that is staffed much of the day. One hour of free parking is provided to patrons of businesses at the site. Because there is excess parking at the site, the property owner leases some parking spaces to monthly parkers.

### **GENERAL PLAN<sup>1</sup> POLICIES**

The General Plan includes numerous goals and policies intended to guide development within the City. Some of the policies relevant to the Planning Commission's review of the project include:

- Policy LU 2.1 City Places: Neighborhoods, Districts, and Corridors. Maintain and enhance the character, distribution, built form, scale, and aesthetic qualities of the City's distinctive residential neighborhoods, business districts, corridors, and open spaces.
- Policy LU 5.8 Encroachment of Incompatible Land Uses. Protect residential neighborhoods from the encroachment of incompatible nonresidential uses and disruptive traffic, to the extent possible. Zoning and design review should assure that compatibility issues are fully addressed when nonresidential development is proposed near or within residential areas.
- Policy LU 9.6 Medical Uses. Study, adopt and implement regulations that appropriately regulate medical land uses in the City.

<sup>1</sup> Available online at [http://www.beverlyhills.org/services/planning\\_division/general\\_plan/genplan.asp](http://www.beverlyhills.org/services/planning_division/general_plan/genplan.asp)

- Policy LU 10.1 Local-Serving Businesses. Promote appropriate development of businesses that serve, are located in proximity to, and are accessible to adjoining residential neighborhoods, such as grocery stores, dry cleaners, and personal care businesses.
- Policy LU 15.1 Economic Vitality and Business Revenue. Sustain a vigorous economy by supporting businesses that contribute revenue, quality services and high-paying jobs.

**ENVIRONMENTAL ASSESSMENT**

This project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The project qualifies for a Class 1 Categorical Exemption applicable to projects characterized as minor alterations to existing structures, when the project involves negligible or no expansion of an existing use. In addition, application of the overlay zone is eligible for a Class 5 categorical exemption since the overlay zone results in minor changes in land use limitations that would allow additional types of commercial uses in commercial zones. The project has been determined not to have a significant environmental impact and is exempt from the provisions of CEQA.

**PUBLIC OUTREACH AND NOTIFICATION**

Notice regarding the subject public hearing was provided in accordance with Municipal Code requirements. The notice included direct mailing via U.S. mail to all property owners and residential occupants within a 500' radius plus block face of the project site. Additionally, notice of the public hearing was posted in three locations on the subject property and published in two newspapers of local circulation, the Beverly Hills Courier and the Beverly Hills Weekly.

Type of Notice	Required Period	Required Notice Date	Actual Notice Date	Actual Period
Newspaper Notice	10 days	June 15, 2015	June 12, 2015 and June 18, 2015	13 days
Mailed Notice (Owners & Residents - 500' Radius + Block Face)	10 days	June 15, 2015	June 15, 2015	10 days
Property Posting	10 days	June 15, 2015	June 15, 2015	10 days
Website	3 days	June 22, 2015	June 18, 2015	7 days

Public Comment

As of the writing of this report, no public comments have been received.

**ZONING CODE<sup>2</sup> COMPLIANCE**

A list of the restrictions and objectives for the Medical Use Overlay Zone is provided in Attachment A, and a detailed review of the proposed project’s consistency with the restrictions and objectives of the

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<sup>2</sup> Available online at [http://www.sterlingcodifiers.com/codebook/index.php?book\\_id=466](http://www.sterlingcodifiers.com/codebook/index.php?book_id=466)

Medical Use Overlay Zone is included in the draft Planning Commission Resolution regarding the Planned Development Review (Attachment B). As conditioned, the proposed project complies with all applicable codes, or is seeking through the requested permits, permission to deviate from certain code standards, in a manner that is consistent with the Zoning Code.

### **ANALYSIS<sup>3</sup>**

Project approval, conditional approval or denial is based upon specific findings for each discretionary application requested by the applicant. The findings that must be made in order to approve the project are provided in Attachment A, and draft findings are included in the draft Planning Commission Resolution (Attachment B), which may be used to guide the Planning Commission's deliberation of the subject project. The analysis considered by staff in drafting the findings is set forth as follows:

**Medical Use.** In 2011 the City Council adopted an ordinance prohibiting, with limited exceptions for existing buildings containing medical offices, the by-right establishment of new medical office space in the City. In accordance with the medical ordinance, a non-medical building may only be permitted to contain medical offices if approved pursuant to a Medical Use Overlay Zone. The City Council adopted the Medical Use Overlay Zone provisions in order to restrict further intensification of medical uses in the city in order to limit commercial intrusion into residential areas, prevent adverse traffic and parking impacts, maintain and promote the character and image of the city, foster economic vitality and encourage pedestrian activity in retail areas. The medical use overlay zone is intended to allow limited expansion of medical uses at appropriate locations in the city and in a manner that is consistent with the underlying zoning district and the elements of the General Plan.

As proposed, the project would result in a relatively small 2.5% of the 19,044 square-foot retail pharmacy building being designated for medical uses. The subject property is located in close proximity to Cedars Sinai hospital and other medical offices in Beverly Hills and Los Angeles and therefore, from an access and proximity standpoint, the subject location appears to be appropriate for medical offices; however, the subject property is also located in a pedestrian-oriented area. The Medical Use Overlay Zone regulations include a restriction that medical uses shall not be permitted on the ground floor of any building in the pedestrian oriented zone unless the city council finds, based on substantial evidence, that the proposed location is not pedestrian oriented and is unlikely to become pedestrian oriented in the future.

This particular location was developed in the 1960s and reflects a more suburban development model with a large store facing a surface parking lot, rather than facing the street. The large parking area encourages patrons to arrive by vehicle. Subsequent to the development of the retail pharmacy in the 1960s, the Business Triangle developed into a dense and lively urban village adjacent to the subject site but the subject site, by design, does not engage the area. The property owner recently upgraded the store and added an outdoor dining area in front on the alley side of the store. This addition improves the experience of patrons at the site but does not

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<sup>3</sup> The analysis provided in this section is based on draft findings prepared by the report author prior to the public hearing. The Planning Commission in its review of the administrative record and based on public testimony may reach a different conclusion from that presented in this report and may choose to modify the findings. A change to the findings may result in a final action that is different from the staff recommended action in this report.

contribute to the pedestrian oriented area due to the distance from the adjacent streets. As a result, staff concludes that conversion of a small amount of ground floor retail space to medical use would not negatively impact pedestrian activity currently or in the future.

**Hours of Operation.** The proposed medical clinic is proposed as part of an existing business that is permitted to operate 24 hours a day. The applicant plans to operate the clinic seven days a week and is determining the hours of operation but could operate the clinic 24 hours a day. The Planning Commission may wish to discuss restrictions on hours of clinic operation.

**Traffic.** The proposed conversion of 474 square feet of floor area from retail space to medical use was reviewed by Stantec Consulting Services (Attachment D) to determine if there would be any resulting change in trip generation for the site. The consultant determined that the medical use would have a lower trip generation rate than the existing retail or pharmacy use and that there would be a resulting decrease in vehicular trips. The consultant additionally concluded that providing complimentary uses in the same location could further reduce traffic volumes. The study was reviewed by the City's traffic engineer who agreed that the trips generated by conversion of a small part of the store to a health facility would be marginal and non-significant. The City's traffic engineer noted that he would not characterize the impact as a reduction in trips but rather that mathematical negative numbers would be considered to be either a zero or non-significant.

**Parking.** The site has parking spaces available in excess of the 82 parking spaces required to serve the current and proposed uses on the site. Depending on whether only regular, full size parking spaces or all available parking spaces are counted, the site has an excess of 13 to 26 parking spaces to serve current and future uses. The Medical Use Overlay Zone restrictions require that free parking shall be provided for patrons and employees of medical uses in the development and parking shall be provided that complies with all applicable parking requirements in the Zoning Code. Staff is recommending a project condition requiring that signage shall be posted clearly indicating that medical patrons shall park free of charge.

**Public Benefits.** A requirement of granting any Medical Use Overlay Zone is that the applicant shall offer to the City a public benefit that offsets any long-term impacts to the City that result from allowing the medical use (Attachment E). As proposed, the public benefit offered by the applicant is the installation of five planters in the upper parking lot, each containing a tree. The parking lot, located directly adjacent to Canon Drive and Dayton Way, is a large expanse of asphalt that currently contains no landscaping. One of the rationales for adoption of the Medical Use Overlay Zone was that medical uses do not contribute to a pedestrian-oriented environment in the same way that retail and restaurant uses do. The proposed trees are intended to improve the aesthetics of the site and will result in areas of shade, providing a more pleasant experience for patrons and reducing the heat island effect produced by large areas of pavement. By creating a better experience for patrons, the trees could encourage additional patronage of the retail pharmacy, which could offset possible reduced retail sales from the conversion of retail floor area to medical use. While the addition of trees in a parking lot would not directly contribute to fostering and maintaining a pedestrian-oriented environment, the addition of trees would improve the general aesthetics of the area which could peripherally contribute to the continued success of the Business Triangle. Based on the foregoing, the proposed trees appear to be a proportionate benefit offsetting potential impacts of additional

medical use; however, the Planning Commission may wish to discuss whether this benefit will be sufficient.

**Special Conditions of Approval.** The specific staff-recommended conditions of approval are contained in the draft Planning Commission Resolution (Attachment B), and would accomplish the following:

- Allow up to 474 square feet of medical office space within the building
- Ensure that the project complies with Municipal Code parking requirements at all times including a requirement that signage shall be posted clearly indicating that medical patrons shall park on site free of charge.

**Summary of Project Benefits and Concerns.** A summary of the project's potential benefits and potential concerns identified in this report is provided in the table below.

<b>Potential Benefits</b>	<b>Potential Concerns</b>
<ul style="list-style-type: none"><li>• Convenient, walk-in medical offices provided with substantial parking</li><li>• Enhances the competitiveness of an established business in the City;</li><li>• Landscaping provided in the parking lot resulting in improved aesthetics, and sustainability</li></ul>	<ul style="list-style-type: none"><li>• Medical offices generally do not contribute to the synergy of a pedestrian-oriented area</li><li>• Reduction in retail sales space; less space available for lower-intensity retail sales uses</li><li>• Possible increased on-site parking demand</li></ul>

Upon considering the above information in its entirety, staff's analysis concludes that the proposed project will not be detrimental to the surrounding neighborhood, will not result in any significant environmental impacts, and will provide specific benefits that will contribute to the overall development of the City and its commercial base. For these reasons, the recommendation in this report is for project approval, with recommendations regarding the Medical Use Overlay Zone to be forwarded to the City Council for consideration.

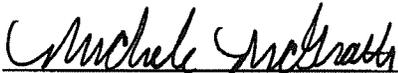
#### **NEXT STEPS**

It is recommended that the Planning Commission conditionally approve the requested Planned Development and make recommendations to the City Council regarding the Medical Use Overlay Zone, subject to all conditions of approval set forth in the attached resolutions.

Alternatively, the Planning Commission may consider the following actions:

1. Approve the project with modified findings or conditions of approval.
2. Deny the project, or portions of the project, based on revised findings.
3. Direct staff or applicant as appropriate and continue the hearing to a date (un)certain, consistent with permit processing timelines.

Report Reviewed By:



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Michele McGrath, Principal Planner