



STAFF REPORT
CITY OF BEVERLY HILLS

For the Planning Commission
Meeting of November 19, 2009

TO: The Planning Commission
FROM: Michele McGrath, Senior Planner
SUBJECT: Consideration of Changes to Medical Land Use Policy that Limits or Prohibits New or Expanded Medical Uses in the City.

EXECUTIVE SUMMARY

On July 21, 2009, the City Council directed staff to prepare an ordinance that limits medical land uses in the City. In the course of its review, the Planning Commission was directed to study different approaches to achieve this goal. This report provides background information on the subject, describes alternative approaches to regulate medical uses and seeks Planning Commission direction.

BACKGROUND

Concern about the impacts of medical uses in the City dates back to the late 1980s when Beverly Hills, like a number of other cities, recognized medical uses generate greater traffic and parking demand than other office uses. In 1989, the City increased the parking requirement for medical office use from one parking space for each 350 square feet (the requirement for office spaces), to one parking space for each 200 square feet for medical office space. Existing medical office buildings were "grandfathered in" at the 1:350 parking rate and became legally nonconforming buildings with regard to parking. Shortly after the adoption of the ordinance, it was modified to exempt a few projects that had been in the pipeline.

The economic downturn in the early 1990s resulted in a high level of office vacancies and medical uses began to emerge as a significant user of vacant City office space; however, the recently enacted parking requirement for medical uses was reported to have placed a burden on commercial building owners and the City Council was asked to amend the ordinance. In July 1993, the City Council adopted an ordinance allowing existing property

owners to meet the 1:200 parking requirement for medical offices by restriping parking areas and providing free, validated parking. No discretionary approvals were required.

Medical uses continued to increase and concerns were raised by the City Council and the Planning Commission that medical uses require more parking, create more traffic, and generate less revenue than retail and other types of commercial businesses. In July, 2005, the Planning Commission began to review medical office uses in the City in two study phases. Phase I included recommendation of the following two ordinance amendments that became effective December 2003:

- a) Transitional Use Ordinance: limit hours of operation for medical uses in commercial areas that abut residential zones;
- b) Eliminate the provision that allows the restriping of parking areas and the use of tandem and compact parking spaces for medical uses that could not otherwise meet the 1:200 parking requirement.

In Fall of 2005, the Planning Commission initiated discussion of Phase II to review how medical office uses impact long-term goals and policies for land use in the City.

In January 2006, the Planning Commission proposed the following range of recommendations to address the proliferation of medical offices in the City:

- To address potential loss of revenue to the City, consider a review of business license taxes and fees for medical uses to determine whether or not these rates should be consistent with other professional office categories and/or rates for surrounding (or other comparable) cities.
- To address longer term impacts including parking, traffic, and a healthy mix of uses, one (or a combination of more than one) of the following options are proposed:
 - a) Limit new medical office uses in the City to specific geographic areas.
 - b) Place a cap on the total number or square footage of medical uses permitted in the City.
 - c) Require a conditional use permit for all new medical uses.

Subsequent to the January 2006, Planning Commission meeting, the City Council and Planning Commission priorities shifted and the medical office use discussion was deterred. In response to concern about a perceived increase in applications for medical offices, a General Plan Ad Hoc Committee meeting consisting of Mayor Nancy Krasne, Council Member John Mirisch, Planning Commission Chair Nanette Cole and Vice Chair Lili Bosse

met on June 24, 2009 to discuss medical office policies in the City. As a result of the Committee's recommendation, the City Council reviewed the issue in July 2009. An urgency ordinance prohibiting medical uses was presented to the City Council but did not receive the 4/5 vote needed to pass the ordinance. Instead, the City Council directed the preparation of an ordinance that would prohibit medical uses with consideration of exemptions for existing buildings that provide adequate on-site parking. The City Council discussed other related matters explored further in this report, including:

- Whether to prohibit ground floor medical office space on Wilshire Boulevard
- Evaluate the appropriate mix of medical office, general office and retail uses in the city
- Understand the appropriate number of medical offices/doctors to meet the City's needs
- Possible fiscal ramifications of medical use regulations
- Limiting medical land uses on geographic basis
- Impacts of medical uses on other land uses, including ability to foster more nightlife opportunities.

A copy of the July 2009 staff reports to the City Council, draft ordinance presented to the City Council and minutes of the July, 2009 City Council meetings are attached.

DISCUSSION

Concerns have been raised by the City Council and the Planning Commission about the conversion of office and commercial space in the City to medical offices. Medical office uses may have impacts that generally fall into the following categories: land use impacts, traffic and parking impacts, and economic sustainability impacts. In addition, staff reviewed impacts of medical uses on the City's emergency response services, Code enforcement information related to medical office uses, and standards for resident access to physicians to determine if the City is well-served by medical offices.

Land Use Impacts

The term "medical office" has come to encompass a variety of uses from traditional doctor's offices to surgery centers as health care has evolved. Despite these changes in health care, definitions of medical use appear to be consistent among most cities with three categories generally used: medical office, hospitals/long-term stay facilities and medical laboratories. In an attempt to make distinctions among different medical office uses, it has been pointed out in past discussions of medical uses in the City that surgery centers may have lower

parking requirements and higher revenues than traditional medical offices. It can be difficult to distinguish among different types of medical uses and the similarities among medical office uses such as operation on a tight appointment schedule, demonstrated traffic and parking impacts, and the need for special tenant improvements may speak to why cities have not further defined medical uses. Staff would recommend reviewing medical office uses as a class and not attempting to further define this use in regulations.

Most cities allow medical office uses in the same locations and under the same development standards as other office uses except for the parking requirements which are usually more stringent for medical uses. The City of Beverly Hills Zoning Code already prohibits hospitals and staff has found no examples of other cities prohibiting hospitals or of cities prohibiting medical office uses. While staff has not found examples of prohibitions on medical uses, there are many examples of cities prohibiting or limiting uses. Cities prohibit and restrict different uses in different areas depending on a city's goals. The City of Beverly Hills prohibits hospitals and stables, requires a Conditional Use Permit for amusements parks, breweries, drive-in facilities, hotels and museums, and restricts financial establishments and medical uses in identified pedestrian areas.

Mix of Land Uses

There are no specific guidelines that define a "healthy" mix of uses in a city or in commercial districts; it is determined by each City's vision and goals. According to the Beverly Hills General Plan Update Technical Background Report (October, 2005), only 8.9 percent of Beverly Hills' land area (248.8 acres) is comprised of commercial uses. Since the commercial area in Beverly Hills is so limited, the City historically has been more vigilant in regulating commercial land uses. The following chart gives a general estimate of major commercial uses in the City.

USE	SQUARE FOOTAGE
Auto Dealer/Supplies	257,000
Eating & Drinking Establishments	495,000
Financial/Real Estate Institutions	600,000
Retail (Apparel, merchandise and other)	1,140,000
Medical Office	1,270,000
Hotel/Motel	1,862,000

General Office	6,147,000
Notes: For all categories except General Office, the City's Building Inventory Data was used. For General Office, data was obtained from the "Los Angeles Business Journal" dated April 25, 2005 per a survey performed by Grubb & Ellis.	

Medical use comprises 21%, or more than one fifth of the office space in Beverly Hills. According to the 2008 Economic Sustainability Background Report prepared for the City, the health care sector is the City's second largest industry.

The conversion of office space to medical uses presents two concerns with regard to fostering a successful mix of uses: maintaining the City's vision for a pedestrian-friendly, commercial area with a mix of shops, restaurants and offices; and, providing opportunities for economic development including attracting priority businesses such as entertainment and high-end retail businesses

Pedestrian-Friendly Mix

While there is some anecdotal evidence regarding the relative contributions of various types of uses to creating a successful urban experience, staff has found little independent empirical information examining the relationship between medical uses and other uses in an urban environment. The City has commissioned studies of the local economy in the past and these studies do not capture the activities of medical visitors nor the more intangible benefits from the interaction of various uses, often referred to as "synergies." Synergy might refer to hotel patrons frequenting local restaurants or office workers shopping in local stores. Such information is usually only available through studies tailored to specific markets. The City commissioned a limited study in 2007 of Beverly Hills parking structure users. The draft report shows that a majority of medical office patrons who use the City parking structures do not live in Beverly Hills, usually arrive alone, and patronize retail or food establishments on a limited basis as part of their medical office visit. Patronage of retail stores by medical office users appears to be at about the same level as other professional (legal/financial) office clients and as employees in the area. Employees patronize food establishments at a higher rate than medical or professional office clients. Public parking garage users who identified the following as the main purpose of their visit to Beverly Hills: eat or have a drink out, shop or browse, personal business errand, visit with friends, or sightseeing, had a much higher rate of combining other activities such as shopping with the original purpose of their trip.

The City has, in the past, approved restriction of medical office uses, along with financial, real estate and other professional uses (lawyers, accountants) on the ground floor in the

City's designated pedestrian-oriented areas. As stated in the City's Zoning Code, these uses were restricted because:

"it is necessary to restrict the uses within these areas in order to preserve the urban village atmosphere and promote pedestrian friendly development. The City Council further finds that it is necessary and desirable to protect the public health, safety and general welfare to prevent the commercial spaces in these areas from being dominated by nonretail uses in order to preserve the city's retail tax base and ensure the city's continued ability to provide essential services to its residents." (BHMC 10-3-1651, 2002).

Economic Development

The proliferation of medical offices reduces the office space available to "priority businesses," discussed in the 2008 Economic Sustainability Report and identified in General Plan Update policy LU 15.2 as "entertainment-related Class A offices, high-end retail and fashion, restaurant, hotel technology and supporting uses." Medical offices often have different occupancy classifications and State and Building Code requirements than general offices or retail uses. As a result, medical office tenant improvements can require greater investment than other types of commercial uses, resulting in medical offices remaining medical offices for decades. This stability is often cited as a benefit but could be an issue if the City wishes to encourage other uses perceived to have a greater benefit to the City, such as the aforementioned "priority businesses." The General Plan Update emphasizes the importance of accommodating a wide variety of uses "that support the needs of local residents, attract customers from the region and provide a quality experience for national and international tourists" (LU 9.1). A preponderance of medical office could diminish the attractive diversity that has drawn key businesses and visitors to the City, maintaining the City's strong economic base.

Traffic and Parking

With the exception of restaurants, the parking requirement for commercial uses pursuant to the Beverly Hills Municipal Code (BHMC) is higher for medical uses (5 spaces per 1,000 s.f. or 1:200) than for other commercial uses such as office and retail (2.85 spaces per 1,000 s.f. or 1:350). While the Code requirements attempt to address the parking demand for various uses, it cannot be exact because the actual parking demand and trip generation figures are variable based upon times of day and demand for the specific use.

Most cities require parking at a rate of 1:350 or 1:200 or a combination of the two. Below is a sample of the medical parking requirements for the cities adjacent to Beverly Hills.

Beverly Hills	Medical Offices – 1space per 200 square feet
West Hollywood	Medical services: Clinics, offices, labs, and other outpatient facilities of 1,200 sq. ft. or less, tenant space existing prior to May 2, 2001 - 3.5 spaces per 1,000 sq. ft. All Others: 5 spaces per 1,000
Culver City	Medical/dental offices, clinics and labs: 1 space per 350 square feet
Los Angeles	Clinics, as defined in Health and Safety Code Section 1202, medical office buildings and other medical service facilities shall provide one automobile parking space per 200 square feet of total floor area

The following chart provides a comparison of the trip generation and parking factors for a sample of general commercial uses as compiled in the Institute of Transportation Engineers (ITE) Manual, considered the most authoritative general resource on the subject.

Use	Trip Generation (per 1,000 sq.ft.)			Parking Demand (per 1,000 sq.ft.)	BHMC Requirement (per 1,000 s.f.)
	AM Peak	PM Peak	Daily	Average Peak Demand	
Medical-Dental Office	2.48	3.72	36.13	3.53	5
General Office	1.55	1.49	11.01	2.40	2.85
Shopping	1.03	3.75	42.94	3.02	

Center Retail				(4.74 at Peak: Saturdays. in-December)	2.85
Specialty Retail	not open	2.71	44.32	not available	2.85

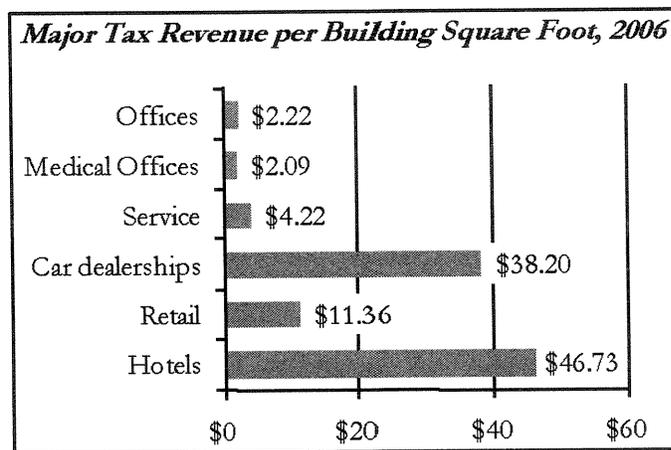
Source: ITE Trip Generation Manual (7th Edition) and ITE Parking Generation Manual (3rd Edition)

The chart above demonstrates that the parking demand for medical uses is greater than the demand for general office and retail uses. Trip generation during morning peak hours is also much higher for medical offices than for general office or retail uses. The afternoon peak for medical is more than double that of general office, and virtually the same as retail.

A 2007 study of Beverly Hills public parking structure users found that medical patrons park for a shorter period of time (1.8 hours) than a majority of users (2-4 hours) which is consistent with greater traffic generation from medical use. As medical offices displace general office and retail uses, parking demands and vehicle trips increase and the impacts from the proliferation of medical uses become more widespread.

Economic Sustainability

Revenue received by cities is now based more on how land is used and developed rather than on property taxes. According to the 2008 Economic Sustainability Report prepared for the City of Beverly Hills, Commercial land generated more than five times the revenue of an average acre of land in the City. General offices and medical offices yielded the lowest revenue per square foot of all commercial uses. Revenue from medical offices ranked



Source: Beverly Hills Economic Sustainability Background Report

second behind commercial leasing as a top generator of business taxes for the City but this is due to the total size of the health care sector (905 establishments). The retail sector has fewer establishments (393 establishments) but yielded higher revenues. For another comparison, health care's 926 businesses contributed over \$342 million (2006 payroll) but the City's 587 entertainment enterprises contributed over \$836 million (2006, payroll). *The

* Beverly Hills Economic Sustainability Background Report, Muni Services/Burr Consulting, January 2008.

graph above reflects revenues generated through property, sales, business, and transient occupancy (hotel) taxes.

Business Taxes: Medical Office vs. General Office

There is a significant difference between tax revenue generated for most businesses in the City and the business tax revenue generated for professional offices such as medical offices because most businesses are taxed on gross receipts while the medical and other professional offices are taxed on the number of employees. Medical office uses typically command higher rents than general office uses and therefore contribute more to property and lease taxes (business taxes) collected by the City. General office uses typically have a higher number of employees relative to floor area than medical office uses so general professional office uses generate more revenue to the City in the form of slightly higher business taxes per building square foot. In addition to fewer employees, the 2008 Economic Sustainability Background Report shows that pay in the health care sector is well under the City average due largely to low-skilled workers who perform basic service jobs. Since pay correlates to the level of employee expenditure in the City, health care sector employees contribute fewer dollars to the local economy.

According to economic studies, entertainment enterprises possess synergies with retail and hotel uses, which also contribute significant revenues to the City. Medical office appear to have limited synergy with the other commercial uses[†] and may contribute less to pedestrian activity and character.

Parking Revenue

Over 25 years ago, the City implemented a "two hour free" parking program in City parking structures as an incentive to attract shoppers and diners to commercial districts. The goal was to increase sales tax revenue from restaurants and retail businesses. The City has experimented in the past with reducing the free public parking to one-hour. Today, a large number of the parking garage spaces on the west end of the Business Triangle in the North Bedford and North Camden public parking structures, as well as parking spaces on the east end of the Triangle in the two North Crescent Drive garages, are taken up by medical office users and commercial district employees rather than shoppers and restaurant clientele (11/7/2005 staff report to the City Council regarding public parking facility fees and 2007 parking structure users report). In response to this situation, the time limit for free parking in some of the public structures was reduced from two hours to one hour. Reducing the time limit for free parking in garages used mainly by medical office patrons and employees is

[†] Plastic surgery has some synergy with hotels, spa services, and beauty supplies, but other medical office uses interact more with drug stores, medical labs, and medical supplies. Source: *Beverly Hills Economic Sustainability Background Report*, Muni Services/Burr Consulting, January 2008.

one way to capture some of the revenue that would otherwise be generated by retail sales or office uses.

Other Medical Office Use Issues

Emergency Response - Fire Department Services

As part of past review of ordinances related to medical offices including the ordinance allowing overnight stay at surgery centers, as well as review of medical office projects, staff has worked with the Fire Department to determine whether such uses result in additional services provided by the City's emergency response system. Past studies have found no significant impact on the City's emergency services from medical office uses.

Access to Medical Care

There does not appear to be a generally accepted standard for the number of physicians that is optimum for a community. The U.S. Department of Health and Human Services does designate Health Professional Shortage Areas (HPSAs) which are determined using the ratio of primary care doctors and dentists to population. A ratio of population to primary care physician of 3000 - 3,500 population to one doctor is considered low enough for possible designation as an HPSA. The medical literature emphasizes primary care as the backbone of the nation's health care system since primary care includes first contact care, continuity of care, comprehensive care and coordinated care. These activities are often associated with internal medicine (internists) or family practice doctors and can also be associated with general practice and pediatrics. The number of primary care physicians in a community is a better indicator of whether a community is well-served by medical services than the overall number of doctors. Reports in the medical literature show that an increase in primary care physician supply results in improved health care outcomes in the United States[‡]. The Organization for Economic Cooperation and Development (OECD) provides figures for the number of doctors per 1000 resident population in OECD countries including the United States (2.4 physicians per 1,000 or 1 physician for 416 people) but this includes all physicians and does not distinguish between physicians delivering primary care medicine and other specialists. Similarly, the U.S. Census publishes an abstract of the number of doctors per resident population by state (1 doctor for 382 people in California) but that list includes all doctors except doctors of osteopathy, federally employed doctors and doctors with unknown addresses.

[‡] Macinko J, Starfield B, Shi L. Quantifying the health benefits of primary care physician supply in the United states. *Int J Health Serv.* 2007; 37(1):111-26

To gain a better understanding as to whether Beverly Hills is well-served by medical offices, staff reviewed the number of internists and family practice doctors in the cities of Beverly Hills, West Hollywood and Culver City. The cities are all located in proximity to each other, have similar population totals and are in proximity to hospitals. Brotman Hospital (420 beds) is in Culver City and Beverly Hills and West Hollywood are both located near the Cedars-Sinai Medical Center (958 beds) which is in the City of Los Angeles. The table below shows the number of residents in each City per primary care doctor.

City	Total Population	# Internists	# Family Practice Doctors	Total Primary Care Doctors	Residents Per Primary Care Doctor
Beverly Hills	35,983	144	41	185	195
West Hollywood	35,716	160	21	181	197
Culver City	40,500	23	15	38	1,065

Information about the number of doctors was obtained from HealthGrades, considered a leading doctor-ratings website that lists every practicing physician in the United States according to 132 specialties including internal medicine and family practice. To give a better idea of the number of physicians with offices in Beverly Hills, five additional specialties included in the 132 specialties tracked by HealthGrades are listed below.

Specialty	Number of Doctors in Beverly Hills
Cardiologist	38
Dermatologist	47
Orthopedic Surgeon	56
Plastic Surgeon	89
Psychiatrist	68

Using the number of doctors in Beverly Hills from the two primary physician categories and the five specialties above, yields a doctor to population ratio of one doctor for 75 residents.

This ratio does not capture all of the physicians in Beverly Hills and far surpasses any ratio of doctors to population that staff has found.

It is clear from these numbers and from information provided by real estate professionals and local doctors that the proximity of the cities of Beverly Hills and West Hollywood to the Cedars Sinai Medical Center is a major reason these cities have more doctors per capita than other cities. Beverly Hills appears to have more than enough physicians to care for the needs of the City and these physicians are also providing for needs of people in the wider Los Angeles County area.

Ordinance to prohibit or limit new medical office use

In crafting an ordinance regulating new medical offices, the Planning Commission may consider a prohibition of new medical office uses and may also consider allowing medical offices with restrictions :

- A. Limit new medical office uses in the City to specific geographic areas;
- B. Require discretionary review of new medical uses.
- C. Place a cap on the total number or square footage of medical uses permitted in the City;

A. Limit new medical office uses in the City to specific geographic areas.

Medical uses are spread throughout the City's commercial areas with a concentration at the western end of the business triangle. The Planning Commission could determine that the City already has the maximum square footage of medical office use that is desirable and prohibit new medical office use in the City; alternatively, the Planning Commission could determine that new medical offices are appropriate in certain areas and not in others. The main areas that have been discussed by the City Council and Planning Commission as potentially inappropriate for additional medical use are the Business Triangle and Wilshire Boulevard. These areas have been identified in economic studies as important locations for the "vital and successful businesses that contribute to the City's identity and culture, provide high-paying jobs and contribute revenue that sustains the level and quality of services in the City" (General Plan Update goal LU 15). General Plan Update policy LU 15.2 identifies such "Priority Businesses" as entertainment-related Class A offices, high-end retail and fashion, restaurant, hotel technology and supporting uses.

Additional commercial areas that could be considered for medical office restrictions include South Beverly Drive, the portion of Little Santa Monica Boulevard west of Wilshire, part of

Olympic Boulevard, part of San Vicente Boulevard and La Cienega Boulevard. These commercial streets are located adjacent to residential zones. If medical office uses are prohibited in the Business Triangle and/or on Wilshire Boulevard, it would create pressure to locate medical offices in these other commercial areas, possibly creating a conflict with General Plan Update goals LU 10, "Economically Vital Districts" and LU 12, "Business Districts Adjoining Residential Neighborhoods." Goal LU 10 is focused on retaining existing businesses and attracting new ones as well as sustaining employment, well-paying jobs and extraordinary economic activity. A policy that promotes this goal is to promote the 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. Goal LU 12 is a "[c]ompatible relationship between commercial districts and corridors and adjoining residential neighborhoods assuring that the integrity, character, and quality of both commercial and residential areas are protected and public safety and quality of life are maintained." Additional medical offices along the City's residential-adjacent streets could have increased traffic and parking impacts and would not appear to be consistent with the General Plan Update goals and policies.

For an additional frame of reference to discuss limiting medical use by geographic area, the City, in 2003, adopted an overnight stay ordinance for surgical centers to allow patients to remain overnight (but not more than 24 hours). Commercial areas within 170 feet of single-family residential zones were excluded from applying for overnight stay permits. This was due to concerns about potential impacts of additional evening medical office activities on the nearby single family areas. The following are the blocks zoned for commercial uses that are within 170 feet of single-family areas:

- West side of Beverly Drive between Charleville and Olympic;
- North side of Wilshire east of Crescent and west of Almont;
- North and south sides of Wilshire east of Arnaz and west of La Cienega; and,
- South side of Wilshire west of Robertson and east of Doheny.

It is noted that staff has found no negative impacts resulting from the overnight stay ordinance.

B. Require discretionary review of new medical uses.

Should the Planning Commission wish to allow medical offices with restrictions, the most appropriate discretionary process would be a Conditional Use Permit (CUP) for future medical uses. Although this process would allow the Commission to review each new incoming medical use and craft appropriate conditions, there would be time and costs

considerations for applicants and staff. The Commission's decisions could be appealed to the City Council.

Currently, applications for medical office use must meet all of the development standards for a commercial use as well as the additional parking requirements for a medical use. New construction that requires the issuance of a building permit is currently subject to Development Plan Review unless it is construction of less than 2,500 square feet, in which case it is exempt from Development Plan Review. New medical offices may also be subject to the following regulations:

Commercial/Residential Transition Ordinance (BHMC 19.5). Medical uses located near residential uses are currently subject to this ordinance that imposes additional development and operational standards for medical uses;

Pedestrian Area Ordinance (BHMC 16.5) Medical uses are not allowed on the ground floor of buildings in the pedestrian-oriented area (retail area of the Business Triangle) unless less than 25 feet wide and authorized by the Director of Community Development or approved by the Planning Commission through a CUP.

In addition, the City's existing ordinance restricting uses in pedestrian-oriented areas includes findings that could be helpful to the Commission in discussing findings for a CUP for medical uses (pertinent Code sections are attached).

C. Place a cap on the total number or square footage of medical uses permitted in the City.

With the City's limited commercial area it could be argued that the City does not need any additional medical office use and new medical office users would have to find an existing medical office space in the City. Staff has concerns about instituting a threshold number as it is difficult to determine an exact baseline figure for medical offices, as well as how much new medical office space should be allowed in the City. Creating a separate registration program would require a substantial amount of resources and delay other policy projects. Previous caps the City has adopted, one on the annual number of new hotel rooms and the other an annual limitation on residential conversions to common interest developments, have not proved necessary or successful.

Other Considerations

Exemption for Existing Buildings

The City Council specifically directed the Planning Commission to consider a provision that would allow medical office conversions if the spaces meets current Zoning and Building Codes including Code-compliant parking.

Pipeline Projects

There are concerns regarding the perceived proliferation of medical-related land uses in the City. Three projects involving medical office use are currently being processed. Previously the City Council discussed exempting from new regulations projects at a certain point in the process. Should the Planning Commission consider restricting, limiting or prohibiting new medical uses, the Commission may wish to consider whether projects in the pipeline should be exempted.

ENVIRONMENTAL ANALYSIS

A draft ordinance would be reviewed for compliance with the California Environmental Quality Act (CEQA) for consideration by the Planning Commission.

GENERAL PLAN ANALYSIS

Neither the current Land Use Element of the General Plan, nor the draft General Plan Update, nor the recommendations of the General Plan Topic Committees appear to specifically address medical office use. The current General Plan and proposed General Plan Update both have as a goal the long-term stability of the City and this goal supports restriction of medical office uses to maintain the competitive ability of the city's commercial areas.

LU 1 Long-Term Stability. "In general, each of the land use issues is directed toward the enhancement and maintenance of the long-term durability and stability of the community. A plan which would accomplish this must recognize the unique qualities of the community, and with it, the factors which enhance the uniqueness as well as the factors which jeopardize them. Beverly Hills is fortunate in that it is able to serve a variety of residential and commercial demands in a manner and combination which is difficult to duplicate elsewhere in the Los Angeles area. Consequently, as long as Beverly Hills is able to provide an alternative not available elsewhere, it will endure....Aside from the issues of change which face the community as new development occurs and new demands are placed upon the City, *it is equally important to recognize that the process of maintaining the quality of life is a dynamic one. The City's programs must be able to recognize and respond to the problems which typically affect Cities, such as deterioration of its older housing stock, obso-*

lescence or loss of competitive ability of commercial areas, rising costs and overburdened

In addition, as previously discussed, General Plan Update goals LU 12 and LU 15 encourage economic sustainability and compatibility between commercial and residential areas and prohibition or restriction of medical office uses would support these goals.

ZONING ANALYSIS

Should the Planning Commission wish to amend the Zoning Code with regard to medical uses, it is proposed that Section 16-3-1601 of the Zoning Code, "Commercial Zone - Uses Permitted," be amended to define "office" to exclude medical offices which would then be listed in the commercial zone under "businesses excluded," or to allow medical office use as a "conditionally permitted use" in the commercial zone.

PUBLIC NOTICE AND COMMENTS

This item was on the July 7 City Council Study Session agenda and the July 21, 2009 formal City Council agenda as an interim urgency ordinance that was not adopted. This is a study session item before the Planning Commission on November 19, 2009 and interested persons including the Beverly Hills Chamber of Commerce were notified about the meeting.

RECOMMENDATION

It is recommended the Planning Commission direct staff to prepare an ordinance amending the Beverly Hills Municipal Code to prohibit or limit new medical office uses in the City.

MICHELE MCGRATH

Attachments:

1. July 7, 2009 staff report to the City Council and minutes of the meeting
2. July 21, 2009 staff report to the City Council, draft ordinance and minutes of the meeting
3. Public Parking Facility Staff Report
4. Pertinent Zoning Code Sections.

Attachment 1

July 7, 2009 staff report to the City Council and minutes
of the meeting



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: July 9⁷, 2009
To: Honorable Mayor & City Council
From: Susan Healy Keene, AICP, Director of Community Development
Subject: Consideration of Changes to Medical Land Use Policy that Limits or Prohibits New or Expanded Medical Uses in the City

INTRODUCTION

This report identifies concerns associated with existing medical land use policy and identifies options to limit or prohibit future medical uses on an interim or long term basis. It is anticipated that the City Council would provide direction regarding:

- The need for changes to existing medical land use policies
- A timeline to implement a new policy
- An approach to limit or prohibit medical office use based on location within the City or establishment on an area 'cap'

BACKGROUND

On June 24, 2009, a General Plan Ad Hoc Committee meeting of liaisons of the City Council (Mayor Nancy Krasne and Council Member John Mirisch) and the Planning Commission (Chair Nanette Cole and Vice Chair Lili Bosse) met to discuss medical office policies in the City. Previously, the City Council directed that medical land use policy be evaluated in the General Plan update. However, given recent changes in direction to that effort, it is unlikely that this policy would be re-evaluated anytime soon and meanwhile, the City continues to receive applications for new and conversion of medical office uses. The City's current formal policy, as established in the existing General Plan and the zoning

ordinance allows or conditionally allows medical land uses in most commercial districts in the City.

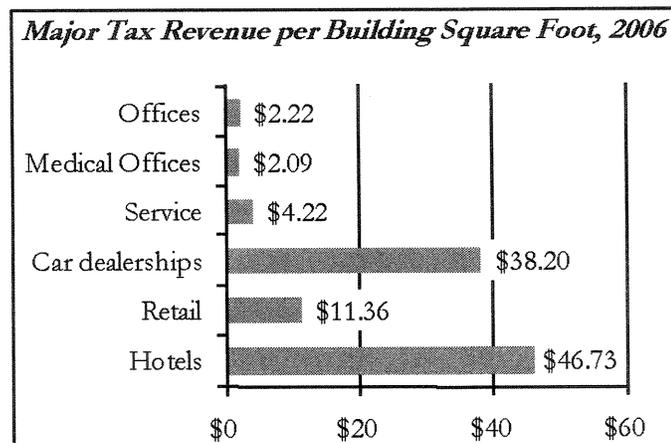
The City Council has over time, expressed a desire to limit medical uses in the City due to land use impacts and revenue implications. Previous council member statements suggested that medical office uses be prohibited in the Business Triangle, along certain portions of Wilshire Boulevard and west of Doheny or Robertson Boulevard, however, none of these statements were ever translated into formal city policy.

A recent increase in medical land use applications was in part, an impetus for the General Plan Ad Hoc committee to meet. While the need for medical space in the City has remained strong over the years, during the current economic downturn, it is expected that more applications will be submitted as medical uses generate higher rental lease rates than general office uses making them more lucrative for property owners. The Planning Commission has recently approved one medical expansion and there are two pending applications. Staff has had additional conversations with other interested property owners to establish or expand medical land uses.

The General Plan Ad Hoc committee recommends that the City Council direct staff to immediately develop an ordinance that would, during the short term, prohibit new or conversion to medical uses until such time that a longer term policy can be established.

DISCUSSION

While medical office use is a significant component of the City's economic base, its fiscal benefit to the City is modest in comparison to the City's more traditional and renowned visitor, shopping and dining. The graph on the right reflects revenues generated through property, sales, business, and transient occupancy (hotel) taxes. Medical office uses typically command higher rents than general office uses and therefore contributes more to property and lease (business) taxes collected by the City. However, general office uses generate more revenue to the City in the form of higher business taxes, which is based on the number of employees. General office uses typically have a higher number of employees relative to floor area than medical office uses (both are professional businesses that are taxed based on professional, semiprofessional, and nonprofessional employment). As a contributor to the City's economy, health care's 926 businesses contributed over \$342 million (2006 payroll). In comparison, the City's 587 entertainment



Source: Beverly Hills Economic Sustainability Background Report

and therefore contributes more to property and lease (business) taxes collected by the City. However, general office uses generate more revenue to the City in the form of higher business taxes, which is based on the number of employees. General office uses typically have a higher number of employees relative to floor area than medical office uses (both are professional businesses that are taxed based on professional, semiprofessional, and nonprofessional employment). As a contributor to the City's economy, health care's 926 businesses contributed over \$342 million (2006 payroll). In comparison, the City's 587 entertainment

enterprises contributed over \$836 million (2006, payroll).^a Entertainment enterprises possess synergies with retail and hotel uses, which also contribute significant revenues to the City. Medical office uses have limited synergy with the other commercial uses^b and contribute little to pedestrian activity and character. In general, medical office uses also generate more traffic and parking demand than general office uses,^c which can impact nearby residential areas and put an increased burden on existing traffic and parking resources. Surgical centers also place increased demands on City emergency services.

City Council has expressed a desire that medical office uses be evaluated and addressed in the land use policies to be updated in the General Plan (Step II in the efforts currently in progress). However, given that an increase in applications for medical office is currently being observed, the Ad Hoc committee has suggested that a more expeditious approach may be warranted in addressing this issue in advance of the broader update of General Plan land use policies.

A more expeditious approach would likely result in some form of temporary regulation that would limit or prohibit medical land uses in the City as directed by Council. Some options for limiting land use include the following:

- Placing a limit or cap on the amount of new medical office floor area in the City
- Specifying particular areas of the City where medical office should be restricted or prohibited
- Implementing a discretionary process to address the issues, which identifies a specific set of circumstances in which medical office uses could be permitted - CUP?
- Placing a temporary freeze on further medical office uses in the community

Each of the above options is considered temporary approaches to allow staff sufficient time to further evaluate this issue. It is recommended that after the short term approach is established, staff would study the impacts and benefits of medical land uses in greater detail, including the types of medical uses in the city, try to identify what would be an appropriate amount of land area dedicated to medical uses in a city the size of Beverly Hills and consideration of the City's proximity to a regional hospital. Staff would outreach to the business community to gain their perspectives and insights as to recommended approaches to address the council's concerns before permanent standards are presented.

^a *Beverly Hills Economic Sustainability Background Report*, Muni Services/Burr Consulting, January 2008.

^b Plastic surgery has some synergy with hotels, spa services, and beauty supplies, but other medical office uses interact more with drug stores, medical labs, and medical supplies. Source: *Beverly Hills Economic Sustainability Background Report*, Muni Services/Burr Consulting, January 2008.

^c Based on average rates in *Trip Generation*, Institute of Transportation Engineers, 7th Edition; *Parking Generation*, Institute of Transportation Engineers, 3rd Edition.

Based on this approach, staff would proceed first with an interim ordinance to address the short term considerations. The interim ordinance will require formal public hearings before the Planning Commission and presented to the Council. Following this adoption, staff would proceed with the expanded analysis and return with a formal text amendment and/or General Plan amendment as appropriate.

FISCAL IMPACT

The fiscal impact of restrictions is not known at this time, but would depend to some degree on the nature of the restriction proposed. In the short term it could reduce the options available to owners on leasing commercial spaces and serve as an impediment to leasing space, with a corollary loss of business income to the City and increasing vacancy rates. These short term implications should be balanced with longer term considerations, in which opportunities are reserved for retail and general office uses that generate greater revenues to the City and produce greater economic viability than medical office uses.

RECOMMENDATION

It is recommended that City Council consider whether it is appropriate to proceed with a formal change in policy on medical office uses at this time. If the Council deems it appropriate to implement a policy on medical office uses at this time, it is recommended that staff be directed to prepare an interim zoning ordinance (i.e. prior to the update of the General Plan land use policies) that would address the use through some combination of the options cited earlier:

- Placing a cap on medical office space in the community
- Specifying particular areas of the City where medical office should be restricted or prohibited
- Implementing a discretionary process to address the issues, which identifies a specific set of circumstances in which medical office uses could be permitted
- Placing a temporary freeze on further medical office uses in the community (until the issue can be further studied)

Susan Healy Keene, AICP
Approved By

**CITY OF BEVERLY HILLS
ACTION MINUTES - INFORMAL MEETING
July 7, 2009
Council Chambers
2:30 P.M.**

PRESENT: Mayor Krasne
Councilmembers Delshad , Brucker, Brien, and Mirisch
City Manager Wood
Assistant City Manager Lichtig
City Attorney Wiener
Chief Assistant City Attorney Diaz
Director of Project Administration Schneider
Associate Project Manager Larson
Project Manager Rubenstein
Assistant Director of Community Services/R&P Zoet
Director of Community Services Miller
Deputy City Engineer Maloyan
Director of Economic Development and Marketing Maxwell
Director of Community Development Keene

ABSENT:

A - DIRECTION

1. 455 Crescent Garage Status Report
Staff report on the continuing progress on the development of construction plans for the 450 car 3-level parking garage below Crescent Drive and City Hall lawn, in conjunction with the Wallis Annenberg Center for the Performing Arts, and recommendation for implementation of the construction of the facility.

Council Ad Hoc Committee liaisons Mirisch and Brucker requested that the staff report be put on hold until the Ad Hoc Committee's recommendations are incorporated into an overall report for Council presentation. Director of Project Administration Alan Schneider clarified that even though the Ad Hoc Committee's recommendations were not written into the staff report, they will be verbally discussed along with the bigger picture of the project. He assured Council that the recommendations will be incorporated into the final design. Councilmembers Mirisch and Brucker briefly discussed their recommendations.

Associate Project Manager Donielle Larson presented the site and garage floor plans. Project Manager Rubenstein discussed the results of the Ad Hoc Committee review, a historical review of Council project approvals, the coordination of the project construction, benefits of a guaranteed maximum price contract, contractor selection, proposed implementation, proposed fees, construction schedule, traffic diversion plan, project budget estimate, and staff recommendations.

Mayor Krasne directed staff to obtain a rough estimate of the additional parking garage costs so that Council can evaluate whether to proceed or not with the contingency, and adopt the plan as originally proposed. Councilmembers Brien and Mirisch expressed concern on the project's adaptability to accommodate changes without increasing costs. Councilmember Brucker also expressed concern that there may be some major utility lines running along the construction sites. Vice Mayor Delshad urged Council to move forward so as not to delay construction. Mayor Krasne requested a report from Director of Parking Operations Chad Lynn on the 331 North Foothill and City Hall garage parking capacities. Council approved moving forward with the project.

2. Youth Sports Fees
Seek Council direction on Youth Sports Organization Fee.

Assistant Director of Community Services/Recreation and Parks Steven Zoet presented a historical summary of recent meetings with various stakeholders, and the proposed youth sports fees and considerations.

Rick Wolfen from Beverly Hills American Youth Soccer Organization (AYSO) gave handouts analyzing the Recreation and Parks Commission athletic field costs memo dated March 20, 2009. He proposed a \$10 per player fee for Beverly Hills residents and a \$15 per player fee for non-Beverly Hills residents. Councilmember Brien explained in detail the Liaison Committee's recommendation that tried to incorporate all parties' suggestions.

Jeff Pop from AYSO submitted a handout on the AYSO Region 76 response to the Beverly Hills Recreation and Parks field usage proposal. He requested that there be no hourly fees and recommended tiered fees. In response to Vice Mayor Delshad's question, he said resident and non-residents pay the same fees. Councilmember Mirisch asked Mr. Pop about AYSO's other concerns. Councilmember Brucker asked about field space distribution and privacy issues. Councilmember Brien suggested that AYSO's concern regarding the use sports policy checklist be discussed further with the Recreation and Parks Commission (RPC).

Beverly Hills Little League volunteer David Bronte urged the Council to charge a flat fee for both residents and non-residents.

California Association of Parks and Recreation Commissioners Boardmember and Recreation and Parks Commissioner Kathi Rothner provided information on what other cities are doing.

Michael Karlin from AYSO Region 76 requested Council to direct staff to work out a system to differentiate residents from non-residents that is simple and will not have to reprogram what sports organizations are now doing.

AJ Willmer commented that quality of programs have not been considered in the discussions. He encouraged Council not to use the current financial crisis as an excuse to levy higher permanent fees.

RPC Chair Marc O'Krent addressed issues of residency and registration, meeting with all sports groups, and fees policy based on the true operating cost of the program. City Manager Wood clarified that based on the joint powers agreement, the City has priority on the use of facilities over the Beverly Hills Unified School District. Vice Mayor Delshad asked staff what the City's obligation is to its residents to provide sports recreation. In response to Councilmember Mirisch's question, Director of Community Services Steve Miller explained that five years ago RPC recommended a cap of 1400 users for the fields.

Councilmember Brucker recommended that Council approve the Liaison Committee's revised recommendations. Mayor Krasne recommended a reconsideration of the fees. Councilmember Mirisch concurred with Councilmember Brucker. Vice Mayor Delshad did not agree with the recommendations. Councilmember Brien suggested reconsidering the hourly fees and resident cap to reduce the burden on non-resident users. Councilmember Brucker suggested that the Liaison Committee work with the sports organizations to offer scholarships or waive fees due to hardships. Councilmember Brien suggested that the issues of residency, checklist, and credit back be taken back to the RPC for further discussion. Council agreed to move the item forward for approval at the Formal meeting.

3. Presentation of the Street Lighting Project - Phase III Commercial, Fixture Recommendations

This presentation will cover the scope of the work, basic designs for the street lights and poles, and staff recommended fixtures for the project. The areas that will receive new poles and fixtures are Crescent Drive (Santa Monica Boulevard to Wilshire Boulevard), Robertson Boulevard (City limit to City limit), South Beverly Drive (Wilshire Boulevard to Olympic Boulevard), Wilshire Boulevard (City limit to City limit), and the Business Triangle (excluding streets upgraded as part of the Urban Design Project). Olympic and La Cienega Boulevards (City limit to City limit) will receive new fixtures on existing poles.

Deputy City Engineer Ara Maloyan presented a project overview and history, community and public relations outreach, research and sample testing, staff recommendations, LED questions and answers, Technology Committee recommendations, and funding requirements.

Public Works Commissioner Steven Weinglass suggested that the options be carefully chosen as technology is growing very fast and the project may become obsolete before it is completed. Mayor Krasne suggested that the poles being recommended be reviewed by the Architectural Commission.

Technology Committee member AJ Willmer spoke about the drawbacks of using LED lighting and recommended replacing concrete poles with steel poles.

Councilmembers discussed and asked questions regarding LED lighting, poles, and holiday lights. Council approved Technology Committee's recommendation to use smart poles with conduits that are fiber-ready. Staff will add the treewells as a deductive item to the bids for the Council to decide later on to implement if there is available funding.

4. Proposed Frank Fenton Field Signage
Seeking approval of the Recreation and Parks Commission recommendation of proposed signage and provide direction regarding a supplemental historical plaque.

Assistant Director of Community Services/Recreation and Parks Steven Zoet reported on the Recreation and Parks Commission proposal to change the La Cienega park signage to "La Cienega Park, Frank Fenton Field" in commemoration of former Councilmember Frank Fenton's contributions.

Councilmember Brien suggested changing the sign to read "Frank Fenton Field at La Cienega Park." Council approved the signage change and the supplemental plaque providing historical information.

5. Beverly Hills Global Partners request for City Council to Discuss support for a Beverly Hills Documentary Film Festival and associated Chinese Production Summit
Proposal for support from City Council for a Documentary Film Festival and associated Chinese Production Summit

Director of Economic Development and Marketing Alison Maxwell provided background information on the proposal by Beverly Hills Global Partners (BHGP) to launch a Beverly Hills International Documentary Film Festival together with Mr. Richard Rosenzweig. BHGP Chair Bruce Cole requested a letter of support from the Council to conduct the film festival and a Chinese Production Summit to be attended by Chinese government officials and American filmmakers. Vice Mayor Delshad requested that Herzliya, Israel be included in the event as its Mayor has indicated interest in participating. Councilmember Mirisch suggested conducting an annual production summit focusing on different countries each year that is not related to the Sister City program. Council approved the request. The letter of support will be signed by all Councilmembers.

6. Consideration of Changes to Medical Land Use Policy that Limits or Prohibits New or Expanded Medical Uses in the City

Discussion of the implications of additional medical office space in the City and possible direction to staff to develop immediate restrictions on new medical office space.

Director of Community Development Susan Healy Keene provided a historical background on medical office use, considerations, impacts, options for course of action, and staff suggestions.

AJ Willmer recommended that Council consider medical office lease issues, and traffic and parking issues specifically parking in residential areas around medical buildings.

Planning Commission Chair Nanette Cole and Vice Chair Lili Bosse spoke about the Commission's need for direction on Council's long and short-term land use priorities, how Planning Commission applications will be addressed, and identifying locations in the City where medical use will be permitted or capped.

Councilmember Mirisch suggested that Council make a policy statement at the Council Formal meeting freezing medical use and capping it according to the City's needs. Councilmember Brucker suggested a moratorium until the General Plan is addressed with exceptions to already existing applications. Councilmember Brien asked staff what other cities around Beverly Hills are doing concerning medical use, and the ratio of medical office space in the city compared to other cities. He agreed on the moratorium and suggested no expansion of medical office spaces until the General Plan has been completed. Vice Mayor Delshad expressed concern on the moratorium without further information from staff and the Planning Commission. He voted against the moratorium and suggested that applications should go to Council for approval after staff review until the General Plan is in place. Mayor Krasne suggested tiering different types of medical uses. She suggested getting the public's feedback through a public hearing, and suggested a six-month moratorium, emergency ordinance, and letting existing applications to move forward.

Council agreed on a moratorium and continue the item to the Formal meeting. The moratorium will not affect existing applications. An urgency ordinance that requires four votes and an interim ordinance requiring three will be prepared by the City Attorney's Office and presented at the July 21 meeting for Council consideration.

7. Traffic and Parking Commission Interview Panel Report Transmits appointment recommendation for filling two upcoming Traffic and Parking Commission vacancies.

This item was discussed at the July 7, 2009 Formal meeting.

8. Trademark Registration of "Smart City" Report on the Potential Trademark Registration of "Smart City".

This item was not discussed. The item was moved for discussion to the July 21, 2009 Council Study Session.

9. Request by Mayor Krasne to Amend the Council Policy and Operations Manual to Establish a Rule that Requires a Vote to Continue the Formal City Meeting Past Midnight At the City Council meeting of June 2, 2009 the Mayor requested this matter be placed on a study session agenda for council consideration and policy direction to staff as appropriate. There are currently no specific rules of this nature. If the City Council were to direct the creation of such a rule, staff would craft a consistent amendment to the City Council Policy and Operations Manual and place that item on an upcoming Formal Meeting of the City Council for consideration by the City Council.

This item was not discussed. The item was moved for discussion to the July 21, 2009 Council Study

Session.

B - INFORMATION

10. Report from the Chief Financial Officer Related to Code Authorized Changes to Certain Flat Rate Taxes and Amending the Comprehensive Schedule of Taxes, Fees and Charges for the Fiscal Year 2009-2010
This report transmits information to the City Council related to the CPI increase of certain flat rate taxes as authorized in Municipal Code 3-1-1001.

This item was not discussed.

11. Report of the Recommendations of the Human Relations Commission Liaison Committee for FY 2009-2010: Revised Allocation of Community Assistance Grant funds to Include an Additional \$204,000 Allocation of Community Assistance Grant Funds to include additional money. .

This item was not discussed.

The Study Session adjourned at 6:34 p.m. to the Closed Session to discuss the items that are identified on the agenda that has been prepared for the meeting. The Closed Session concluded at 7:00 p.m. Study Session items not discussed will be continued to the Formal meeting.

City Clerk's Office/lsr

THESE INFORMATIONAL NOTES ARE PREPARED BY THE CITY CLERK'S OFFICE AND ARE NOT APPROVED BY THE CITY COUNCIL.

This meeting was televised on City of Beverly Hills Municipal Government Television Access, BHN/10, Time Warner Cable.

Attachment 2

July 21, 2009 staff report to the City Council, draft ordinance and minutes of the meeting



AGENDA REPORT

Meeting Date: July 21, 2009

Item Number:

To: Honorable Mayor & City Council

From: Susan Healy Keene, AICP, Director of Community Development

Subject: AN INTERIM ORDINANCE OF THE CITY OF BEVERLY HILLS
PROHIBITING NEW OR EXPANDED MEDICAL OFFICE USE IN THE
CITY, AND DECLARING THE URGENCY THEREOF

Attachments:

1. Ordinance
2. July 7 Staff Report (Informal Session)

RECOMMENDATION

It is recommended that City Council adopt the interim ordinance to prohibit new or expanded medical office use in the City and direct staff to study appropriate regulations during Step II of the General Plan update effort.

INTRODUCTION

On July 7, 2009, the City Council directed staff to prepare an urgency ordinance that would prohibit future new or expanded medical office uses in the City. The subject ordinance would cap medical floor area to the levels that existed on July 7, 2009, but would allow planning applications submitted as of July 7 to proceed. The concern is that medical office uses may not add favorably to the community's character, that it could hinder opportunities to bring vitality and nightlife to the community's business areas, and that its high traffic and parking demand can impact nearby areas. While the urgency ordinance is in effect, the City would reach out to the local business and health service community and develop policies to address these issues through the General Plan update process (Step II).

DISCUSSION

Background

The City Council's July 7, 2009 discussion on medical office uses was the result of a request from a June 24, 2009 meeting of the General Plan ad hoc committee.^a Prior to that meeting, City Council has given direction that restrictions on medical office uses be considered in updating land use policies in the General Plan. However, while the update of the General Plan land use policies could be as much as 18 months from completion, proposals for the conversion of commercial space into medical office continue to be submitted and processed. It was therefore suggested that clearer and more immediate direction could be obtained from City Council at its July 7 meeting. (July 7 staff report is attached.)

At the July 7, 2009 meeting, there was general support for a freeze on medical office expansion until the City developed policies to address the issues associated with medical office uses. Continuing interest in medical office uses is observed and three planning applications are currently pending. Medical offices and physicians see a substantial benefit of having a Beverly Hills address and trade on the City's image for the highest levels of service and quality. The City, however, does not derive similar benefit, but instead is saddled with impacts of non-residents drawn to the City for medical services, and opportunity costs of having too much of its office inventory dedicated to what will be seen as visitor-serving uses. Concerns expressed at the July 7 meeting included:

- The eastern portion of the City appeared to have an overabundance of medical office use
- Medical office use does not contribute positively to neighborhood character
- The community's medical needs are already well-served
- A balance needs to be achieved between medical office uses and other businesses serving the community
- The concentration of medical office use creates large daytime ("9 to 5") areas that hinder opportunities for more vibrant dining uses and nightlife in the community
- Medical offices generate significant traffic that affects nearby commercial and residential areas, and impacts on public parking facilities
- Medical office uses are a relatively poor revenue generator

In contrast, however, the following views were also expressed:

- Not enough was known about the ramifications of medical office uses to the community to impose a moratorium
- The health service sector can help to sustain the local economy in hard times

^a The June 24 meeting was held in City Hall and included liaisons of the City Council (Mayor Nancy Krasne and Council Member John Mirisch) and the Planning Commission (Chair Nanette Cole and Vice Chair Lili Bosse).

- Medical offices were not a single type of land use but rather a diversity of uses that warranted some tailoring of regulation
- A discretionary process, possibly reviewed by City Council, could be implemented instead of a moratorium
- Medical office issues should be discussed in a public forum

Interim Urgency Ordinance

Pursuant City Council direction at its July 7, 2009 meeting, an urgency ordinance has been prepared for consideration by the Council which would cap medical office space to July 7 levels. Existing medical office uses would be allowed to continue to operate but no additional medical office uses other than those which had filed a planning application as of July 7 would be allowed. Urgency ordinances protect the community by addressing uses that may be in conflict with contemplated general plan, specific plan, or zoning policies that the City is considering or studying or intends to study within a reasonable period of time. An urgency ordinance requires a 4/5 vote to be adopted and is immediately and initially effective for only 45 days. An urgency ordinance could be extended to the balance of one year and extended once again an additional year if necessary.

Proposed Process

While an urgency ordinance is in effect, staff will study other cities and engage the business, health service, and residential communities in a dialogue to develop policies on medical office use in the City. The results of the study and dialogue would be incorporated into an updated General Plan, and may also result in adoption of an appropriate zoning ordinance.

A two-step General Plan update is currently in progress.^b In Step I, which is anticipated to be completed this year, the current General Plan would be updated with more contemporary policies where there currently is broad community consensus. Step II would address policies where there is not broad consensus, notably land use densities and scale, and associated circulation/mobility policies. As a consensus is yet to be built around medical office issues, it is envisioned to address medical offices in Step II of the General Plan update process.

Environmental Assessment

The urgency ordinance 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. Staff has determined that it can be seen with certainty that there is no possibility that the adoption and implementation of the proposed zoning regulations may have a significant effect on the environment. The proposed standards do not authorize construction and, in fact, imposes greater restrictions on certain development in order to protect the public health, safety and

^b The revised draft policies from 2008 incorporating the Planning Commission's comments were released on July 9, 2009 and are available from the Planning Offices in City Hall and on the City Website at http://www.beverlyhills.org/services/planning_divison/plan/step_one_amendments/default.asp. The Planning Commission will be reviewing the revisions at its meeting on August 6, 2009.

general welfare. The proposed regulations are therefore exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

FISCAL IMPACT

The fiscal impact of restrictions is not known at this time. In the short term it could reduce the options available to owners on leasing commercial spaces and serve as an impediment to leasing space, with a corollary loss of business income to the City and increasing vacancy rates. These short term implications should be balanced with longer term considerations, in which opportunities are preserved for retail and general office uses that generate greater revenues to the City and produce greater economic viability than medical office uses.

ALTERNATIVES

In addition to the recommended action, the City Council could also:

1. Modify the draft urgency ordinance to address medical office use geographically in the City and/or institute review processes, and adopt.
2. Direct staff to prepare a zoning ordinance which would require Planning Commission recommendation prior to City Council consideration. Such an ordinance could apply retroactively to July 7, 2009 and requires a majority (not 4/5) vote to adopt.
3. Opt not to proceed with an ordinance and continue under existing ordinances and policies for medical office uses.

Susan Healy Keene, AICP

Approved By

ORDINANCE NO. 09-O-_____

AN INTERIM ORDINANCE OF THE CITY OF BEVERLY HILLS PROHIBITING NEW OR EXPANDED MEDICAL OFFICE USE IN THE CITY, AND DECLARING THE URGENCY THEREOF

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

Section 1. Legislative Findings.

The Planning Commission of the City of Beverly Hills is currently considering a comprehensive update of the City's General Plan. After the General Plan update, the City will thereafter consider an update to its planning and zoning ordinances to ensure consistency with the updated General Plan. Among the policies to be analyzed for potential update in the General Plan are permissible land uses and densities throughout the City.

Presently, the City has been receiving a number of proposals to convert commercial floor area (general office and retail) into medical office space. Medical office uses typically generate greater traffic and parking demand than general office uses, and generate lower tax revenue than a comparable amount of floor area of most other commercial uses in the City. The community is concerned that the growing amount of medical office area is displacing floor area for other commercial uses; reducing opportunities for entertainment enterprises and supporting businesses; removing opportunities for shopping, dining, and other prospects for pedestrian-oriented uses and nightlife; and contributing to the decline of the City's tax base.

Therefore, it would be detrimental to the public welfare if, in the interim time necessary to complete the General Plan update process, projects were established, commenced, or constructed that could change the character of the community, increase traffic in residential neighborhoods, and eliminate certain opportunities to maintain a balanced and vital economic base, and evade regulations developed to address these issues. .

Section 2. Authority.

Pursuant to Government Code Section 65858, the City Council may adopt as an urgency measure, an interim ordinance that prohibits any uses that may be in conflict with a contemplated zoning proposal which a legislative body, Planning Commission, or Planning Department is considering or studying or intends to study within a reasonable period of time.

Section 3. Urgency Findings.

The City Council finds and determines that the immediate preservation of the public health, safety, and welfare requires that this Interim Ordinance be enacted as an urgency ordinance pursuant to Government Code Section 65858 and take effect immediately upon adoption. As described in Section 1 of this Interim Ordinance, changes in uses from general commercial uses to medical office uses can reduce opportunities to maintain the balance of the community's economic base, change the character of the community, deprive the community of opportunities to bring vitality and nightlife to its business areas, increase traffic and congestion in the vicinity of increased medical office use spaces, and contribute to the long-term decline in municipal revenue that maintains the premium level of service for which the community is known. The City is updating its General Plan with respect to the types of uses that may be appropriate in its commercial districts, and thereafter will update its Planning and Zoning ordinances

accordingly. The City Council finds that continued conversion of the community's commercial space during the City's review and consideration of these issues to medical office space will potentially erode the existing character of the City's commercial districts and frustrate the purpose of any regulations ultimately adopted. To ensure that activity within the City's commercial districts during this period of study is consistent with the goals and objectives of protecting the character of the business community, as reflected in the quality and diversity of its stores, hotels, restaurants, and offices, and maintaining the quality of life in the City's residential neighborhoods, the City Council finds it necessary to adopt interim regulations that both respect property rights and protect the public health, safety and general welfare. Absent the passage of this Interim Ordinance, continued development of medical office space within the City's commercial districts poses a current and immediate threat to the public health, safety, or general welfare. If this Ordinance does not become effective immediately, but instead becomes effective thirty (30) days after a second reading, there is a risk that further harm will be done to the City's commercial districts and residential neighborhoods by the expansion of medical office uses before the above-referenced General Plan updates can be completed and any protections recommended by the adopted policies can be implemented. It is necessary that this Ordinance take effect immediately to prevent such harm to City's commercial districts and the residential neighborhoods adjacent to these districts. Therefore, this Ordinance is necessary for the immediate preservation of the public peace, health, safety and welfare and its urgency is hereby declared.

Section 4. New Medical Office Prohibited.

A. Except as provided in Section 4, Paragraph C of this ordinance, no new medical office use shall be established, nor shall any existing medical office be expanded in floor

area on any lot, premises, building, or portion thereof in any commercial zone, including the C-3, C-3A, C-3B, C-3T-1, C-3T-2, C-3T-3, C-5, C-R, C-R-PD, or T-1 Zones.

B. Any office space currently occupied by a medical office use that was legally established as of July 7, 2009 may continue to be occupied as a medical office use and operate in conformance to the Beverly Hills Municipal Code.

C. Any office space currently vacant as of July 7, 2009 that was previously occupied by a legally-established medical office use without an intervening use may be occupied as a medical office use and shall operate in conformance to the Beverly Hills Municipal Code.

D. A medical office use may be authorized for an office space if the necessary planning application to authorize medical use was filed on or before July 7, 2009. Such office space, if approved for medical use, may thereafter be occupied as a medical office use and operate in conformance to the Beverly Hills Municipal Code and any conditions of approval, except as limited by this interim ordinance.

E. For purposes of this ordinance, "medical office" shall mean any facility providing health service and/or medical, surgical, or dental care. "Medical office" shall include, but not be limited to, a health center, health clinic, doctor's office, chiropractor's office, dentist's office, or any office offering therapeutic service or care. "Medical office" shall not include any facility providing medical or dental services for the purpose of diagnosing or treating medical or dental conditions that does not receive patrons on site.

Section 5. CEQA Findings.

The City Council hereby finds that it can be seen with certainty that there is no possibility that the adoption and implementation of this Ordinance may have a significant effect on the environment. This Ordinance does not authorize construction and, in fact, imposes greater restrictions on certain development in order to protect the public health, safety and general welfare. This Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

Section 6. Severability.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall be and remain in full force and effect.

Section 7. This Ordinance, being an Interim Ordinance adopted as an urgency measure for the immediate protection of the public safety, health, and general welfare, containing a declaration of the facts constituting the urgency, and passed by a minimum four-fifths (4/5) vote of the City Council, shall take effect immediately upon its adoption and shall continue in effect for a period of not longer than forty-five (45) days; provided, however, that after notice pursuant to Section 65090 of the California Government Code and public hearing, the City Council may extend the effectiveness of this Interim Ordinance as provided in Government Code Section 65858.

Section 8. Publication.

The City Clerk shall certify to the adoption of this Ordinance and shall cause this Ordinance and his certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

ADOPTED:

NANCY KRASNE
Mayor of the City of Beverly Hills,
California

ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

LAURENCE S. WIENER
City Attorney

RODERICK J. WOOD
City Manager

SUSAN HEALY KEENE, AICP
Director of Community Development



**CITY OF BEVERLY HILLS
CITY COUNCIL
REGULAR MEETING
July 21, 2009**

The Regular Meeting of the City Council of Beverly Hills was held in the Council Chambers at 7:00pm.

PLEDGE OF ALLEGIANCE

A. ROLL CALL

Present: Councilmember Mirisch, Councilmember Brien, Councilmember Brucker, Vice Mayor Delshad, and Mayor Krasne
Absent: None

B. PRESENTATIONS

1. PROCLAMATION - "August is Beverly Hills Farmers' Market Month"

Mayor Krasne presented a proclamation to Market Manager Greta Dunlap and thanked her for her extraordinary efforts in contributing to the success of the Market.

2. CITY TREASURER - Appointment of Daniel M. Yukelson as Deputy City Treasurer

Item B-2 Link

Chief Financial Officer Scott Miller requested that, in City Treasurer Eliot Finkel's absence, this item be continued to the meeting of August 4, 2009.

C. ORAL COMMUNICATIONS

their graciousness towards the church and urged the Council to vote no on the proposed changes.

48. Thomas White opposed the Traffic and Parking Commissions' recommendation and spoke in opposition to a change in the parking restrictions.

49. Mayor Krasne read a letter from residents Mahin and Ahmad Hekmat on Parkway in favor of the modification to the street parking.

50. Lt. Joe Chirillo spoke to the issues in the area raised by the residents that live on Park Way.

Lt. Chirillo responded to Councilmember's questions and comments.

Mayor Krasne closed the public comment portion of this item.

Following discussion, the Council agreed that further study is needed and asked that staff meet with the churches and residents to facilitate discussion to come up with an overall plan for the Council to consider.

- 1B. RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS TO MODIFY THE TIME LIMIT AT THE METERS ON THE SOUTH SIDE OF THE 1200, 1300 AND 1400 BLOCKS OF PARK WAY.** Comment: Staff recommends modifying the time limit at the meters to restrict the parking at the metered parking spaces after 10:00 p.m. on the south side of Park Way. The Traffic & Parking Commission voted to recommend restricting the parking at the meters after 6:00 p.m.

Item E-1 Link

ITEM E-1A & E-1B: BY ORDER OF THE CHAIR, THE MATTER WAS CONTINUED TO THE MEETING OF AUGUST 18, 2009 TO ALLOW TIME FOR STAFF TO MEET WITH THE CHURCHES AND RESIDENTS AND RETURN WITH AN OVERALL PLAN

- 2. AN INTERIM ORDINANCE OF THE CITY OF BEVERLY HILLS PROHIBITING NEW OR EXPANDED MEDICAL OFFICE USE IN THE CITY, AND DECLARING THE URGENCY THEREOF.** Comment: Proposed moratorium on the additional medical office space in the City. Initially effective for 45 days; intended to cap medical office development until General Plan land use policies are updated.

Item E-2 Link

Community Development Director Susan Healey Keene presented the staff report and PowerPoint presentation at the direction of the Council from the July 7, 2009 meeting to bring forward a temporary interim ordinance regarding a moratorium

on expansion and new medical use applications in the City of Beverly Hills.

Speaking:

1. Stacy Brenner stated concerns the proposed ordinance would have on a project she is working on with her client on Olympic and Maple.
2. Martin Mervel discussed a modification to a current medical building he is associated with.
3. Aman Dayan spoke to the merits of the project mentioned by speaker #2.
4. David Anderson spoke about the project previously mentioned by speaker #2.
5. Anita Zussman Eddy, speaking on behalf of the Chamber of Commerce, voiced concern about the content of the ordinance being considered.
6. Deborah Kallick, representing Cedars Sinai Medical Group, is concerned about the moratorium, but hopes the Council will not extend it for more than 45 days without further study.
7. Dar Mahboubi spoke about potential new tenants on Rodeo Drive that would bring very high profile clients from all over the world.
8. Tom Korey commented on older buildings in the City that have always had mixed commercial uses.

City Council discussed the matter, agreeing that additional study is needed, and asked questions of staff.

MOVED by Councilmember Mirisch, seconded by Councilmember Brucker to approve an interim ordinance of the City of Beverly Hills prohibiting new or expanded medical office use in the City, and declaring the urgency thereof, with the amendment that existing office space that meets the current code has adequate parking to meet the medical compliance would be exempt.

Ayes: Councilmember Mirisch, Councilmember Brien, and Councilmember Brucker.

Noes: Vice Mayor Delshad, and Mayor Krasne.

FAILED

MOVED by Councilmember Mirisch, seconded by Councilmember Brucker to direct the Planning Commission to consider the ordinance that was presented this evening, as a regular ordinance with the regular procedures, with the amendments suggested by the Council, and possibly consider on a limited time period.

Ayes: Councilmember Mirisch, Councilmember Brien, Councilmember Brucker, and Vice Mayor Delshad.

Noes: None.

Abstain: Mayor Krasne.

CARRIED

ITEM E-2: DIRECT THE PLANNING COMMISSION TO CONSIDER THE ORDINANCE THAT WAS PRESENTED THIS EVENING, AS A REGULAR ORDINANCE WITH THE REGULAR PROCEDURES, WITH THE AMENDMENTS SUGGESTED BY THE COUNCIL, POSSIBLY ON A LIMITED TIME PERIOD

3. **RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS SUPPORTING IRANIAN CIVIL LIBERTIES.** Comment: This Resolution provides a statement in support of fair elections, human rights and freedom for the citizens of Iran.

Item E-3 Link

Deputy City Manager Cheryl Friedling provided a brief report on this item.

MOVED by Vice Mayor Delshad, seconded by Mayor Krasne to adopt Resolution E-3 as follows:

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVELRY HILLS SUPPORTING IRANIAN CIVIL LIBERTIES.

Ayes: Councilmember Mirisch, Councilmember Brien, Councilmember Brucker, Vice Mayor Delshad, and Mayor Krasne.

Noes: None.

CARRIED

ITEM E-3: ADOPTED RES#09-R-12691

4. **AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND RALPH ANDERSEN & ASSOCIATES FOR EXECUTIVE SEARCH SERVICES.** Comment: This agreement would retain Ralph Andersen & Associates to conduct a national executive search for a new Beverly Hills City Manager.

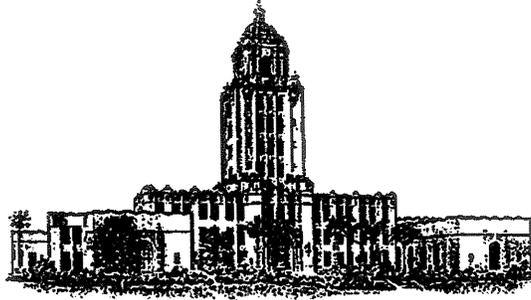
Item E-4 Link

City Attorney Wiener provided a brief staff report.

MOVED by Councilmember Brucker, seconded by Mayor Krasne to approve an agreement between the City of Beverly Hills and Ralph Andersen &

Attachment 3

Public Parking Facility Staff Report



CITY OF BEVERLY HILLS
STAFF REPORT

Meeting

Date: November 7, 2005
To: Honorable Mayor & City Council
From: David Lightner, Deputy City Manager
Subject: Public Parking Facility Fee Policy

INTRODUCTION

As you know, a consultant study has been conducted to evaluate the City's parking fee policy for public garages in the Triangle and on South Beverly Drive. Pat Gibson, our parking consultant, has developed a proposal of options and along with staff and the City Council subcommittee has discussed the concepts with representatives of the business community and the residential neighborhood groups. Those discussions have led to refinements and modifications to the proposal and to expansion of the outreach effort. At the June 7 City Council study session, Mr. Gibson provided an update on the program. The program options discussed at that meeting have been further refined as a result of additional public outreach, leading to the three options noted below:

1. Customers pay from the first hour of parking
\$1/hour for the first two hours
\$1.50/half-hour thereafter
Free Parking 7-9 a.m.
2. Two-hour free parking with validation
Retail/restaurant merchants buy validations at half price
Other business may buy validations at full price
Free parking 7-9 a.m.
3. One-hour free parking
\$1/half-hour for second hour
\$1.50/half-hour thereafter

Staff and the City Council subcommittee (Webb, Delshad) recommend option three, the one-hour free parking program.

Meeting Date: November 7, 2005

DISCUSSION

The City initiated a subsidized two-hour free parking policy over 20 years ago with the goal of providing an incentive to shoppers and diners in the commercial districts around public garages. This investment was designed to result in higher sales tax revenues from restaurant and retail merchants. Over the years it has become apparent that certain aspects of this policy do not achieve the desired results. For example, because of the high concentration of medical offices near the Bedford garage, most of that subsidy was not going to retail and restaurant customers. The Bedford garage was changed to one hour of free parking in partial response. It has also been recognized that some area employees abuse the system by parking and re-parking in order to avoid paying during their work day. The policy at the Crescent garages was changed to one hour of free parking in partial response to this issue.

It has also become clear that additional investment in maintenance and improvements for the parking garages is needed along with more investment toward new garages. Additionally, it is recognized that we need to be conscious of the policies of competing shopping and dining districts. Although evidence from other communities indicates that a small parking charge to the customer is not likely to change consumer behavior, the ability to market parking that is free to the customer is important to many local merchants.

In light of these issues, there are numerous potential responses. Among the possibilities for changes to the current parking fee policy are:

- Two hours free with merchant paid validations
- Customer paid parking with debit cards
- A business tax to cover the cost of the first two hours
- Substantial increase in the fees after two hours
- Cost reductions by reducing maintenance and services
- Lease the garages to commercial vendors and let the market determine price
- Reduce funding to other General Fund operations to subsidize the parking operation
- Voter approved property tax increase to subsidize the parking operation
- Modify program to one hour of free parking

The pros and cons of these and other options were considered with an eye to achieving multiple goals, including:

- Better maintenance and repair in existing garages
- Funding toward construction of additional garages
- Better customer service
- Addition of customer friendly garage enhancements
- Additional security features
- Reduction of employee parking problem
- Improvement of the visual appearance of the garages
- Solution to the potential administrative burden of validation programs

Meeting Date: November 7, 2005

- Solution to the fairness issue for low-dollar-transaction, high-customer-volume businesses
- Opportunities for local business advertising in the garages
- Increasing shopping time by reducing incentive to rush back to the garage at a set time

The recommended option was developed after considering all of these issues and seeking a balance. While significant effort was invested in evaluating validated parking programs, the response was generally that, at a charge of \$1 per hour, the administrative burden to the merchant outweighed the customer incentive of two-hours-free with validation. There was additional concern from merchants about the negative customer service implications of refusing validations without purchase. Most felt they would have to buy validations for anyone who asked rather than only for good customers. While this led to active merchant discussion of just letting customers pay the discount rate of \$1 per hour for the first two hours, ultimately concerns about smaller retailers and short duration shopping trips, led to the recommended program.

Under the proposed program, no validations would be needed. The first hour of parking would be free. This change would standardize the program as the Bedford and both Crescent garages are already one-hour-free garages. The second hour of parking would cost \$1 per half hour and the rate would be \$1.50 per half hour thereafter, just as it is currently after two hours.

FISCAL IMPACT

The fiscal impact will depend upon the program selected. The parking operation is currently generating approximately \$2 million annually in gross revenue from hourly parking. This is essentially a breakeven revenue stream against operations. It does not provide funding for additional maintenance and upgrades or to add to the parking supply.

<u>Program Option</u>	<u>Additional Revenue</u>
▪ Customer pays - \$1/hour for first 2 hrs.	\$4.4 M
▪ Validated pkg - merchants pay half price	\$3.7M
▪ One Hour free - \$1/half-hour for second hour	\$2.8M

RECOMMENDATION

There is broad consensus in the community that additional investment in the parking facilities and operations is warranted and that a change in the fee structure is a reasonable approach. As discussed there are many different structures possible, each with varying pros and cons. Approval of any of the three options outlined by our parking consultant will generate additional revenues relatively quickly, allowing upgrades to the facilities and operations to be planned right away.

Meeting Date: November 7, 2005

The key findings of the outreach effort were that the fee system needs to be convenient for the customer, not an administrative or financial burden to the merchant and designed so that the cost is reasonable to customers of all types of

businesses. Staff and the City Council subcommittee recommend the one hour free parking option, with \$1 per half-hour for the second hour. Substantial additional revenue is projected with this option, the administrative burden of validations is avoided, small businesses with relatively quick, low dollar transactions would continue to benefit from free customer parking and it would become more difficult for employees to park and re-park free throughout the day.

Additionally, development of a debit card system is recommended as a more convenient way to pay for parking in structures and eventually at parking meters. Implementation of revised fees will require a separate public hearing which will be scheduled pending City Council direction. The City Council has previously directed that any change in the fee structure should not become effective until after the 2005 holiday season. City Council direction regarding modification of the parking fee policy is respectfully requested.

David Lightner
Approved By



Attachment 4

Pertinent Zoning Code Sections

Article 16.5. Restricted Uses In Pedestrian Oriented Areas

10-3-1651: PURPOSE AND INTENT:

The city's urban design policies call for an urban village design in certain retail areas to promote pedestrian usage. The city council finds that it is necessary to restrict the uses within these areas in order to preserve the urban village atmosphere and promote pedestrian friendly development. The city council further finds that it is necessary and desirable to protect the public health, safety and general welfare to prevent the commercial spaces in these areas from being dominated by nonretail uses in order to preserve the city's retail tax base and ensure the city's continued ability to provide essential services to its residents. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

10-3-1652: DEFINITIONS:

For the purposes of this article, the following words and phrases shall have the following meanings:

GROUND FLOOR: Any floor level located within a vertical distance of eight feet (8') above the curb level or five feet (5') below the curb level of the adjacent street.

NONRETAIL USE: Any use not defined as a "retail use" pursuant to this article, including, without limiting the foregoing definition, banks, financial lending institutions, real estate offices, title companies, escrow companies, professional offices (e.g., accountants, architects, lawyers or travel agents), manufacturing uses, medical laboratories and offices, hospitals, dry cleaners, veterinary clinics, tailors, spas without a retail component, exercise or health clubs and private training centers, and motion picture plants or studios, but excluding hotels.

RESTRICTED USE: Any nonretail use or car dealer.

RETAIL USE: A facility which carries on as its principal business the selling of tangible commodities, goods, merchandise or wares, including the selling of food and beverages, directly to the ultimate consumers. For the purposes of this article, notwithstanding and without limiting the foregoing definition, "retail use" shall include restaurants, bars, nightclubs, theaters, beauty shops, nail salons, and spas with a retail component, but shall exclude car dealers. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

10-3-1653: PEDESTRIAN ORIENTED AREAS DESIGNATED:

The following areas, as shown on the pedestrian oriented areas map on file in the department of planning and community development, are hereby designated as "pedestrian oriented areas":

- A. South Beverly Drive To Gregory Way: All those parcels east of the first alley running parallel to and west of South Beverly Drive, and all those parcels west of the first alley running parallel to and east of South Beverly Drive from Wilshire Boulevard to Gregory Way, including those parcels having frontage on Wilshire Boulevard and located on the southeast and southwest corners of the intersection of Beverly Drive and Wilshire Boulevard and those parcels having frontage on Gregory Way and located on the northeast and northwest corners of the intersection of South Beverly Drive and Gregory Way.
- B. North Beverly Drive To Santa Monica Boulevard: All those parcels east of the first alley running parallel to and west of North Beverly Drive, and all those parcels west of the first alley running parallel to and east of North Beverly Drive, from Wilshire Boulevard to Santa Monica Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Beverly Drive and Wilshire Boulevard and those parcels having frontage on the south side of the South Roadway of Santa Monica Boulevard and located on the southeast and southwest corners of the intersection of North Beverly Drive and Santa Monica Boulevard, South Roadway.
- C. North Cañon Drive To Santa Monica Boulevard: All those parcels east of the first alley running parallel to and west of North Cañon Drive, and all those parcels west of the first alley running parallel to and east of North Cañon Drive, from Wilshire Boulevard to Santa Monica Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Cañon Drive and Wilshire Boulevard and those parcels having frontage on the south side of the South Roadway of Santa Monica Boulevard and located on the southeast and southwest corners of the intersection of North Cañon Drive and Santa Monica Boulevard, South Roadway.
- D. North Rodeo Drive To Santa Monica Boulevard: All those parcels east of the first alley running parallel to and west of North Rodeo Drive, and all those parcels west of the first alley running parallel to and east of North Rodeo Drive, from Wilshire Boulevard to Santa Monica Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Rodeo Drive and Wilshire Boulevard and those parcels having frontage on the south side of the South Roadway of Santa Monica Boulevard and located on the southeast and southwest corners of the intersection of North Rodeo Drive and Santa Monica Boulevard, South Roadway.
- E. Brighton Way: All those parcels having frontage on Brighton Way from Cañon Drive to Wilshire Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Brighton Way and Wilshire Boulevard.
- F. Dayton Way: All those parcels having frontage on Dayton Way from Cañon Drive to Wilshire Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and southeast corners of the intersection of Dayton Way and Wilshire Boulevard. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

10-3-1654: USES PERMITTED:

- A. No use other than a retail use or a hotel shall occupy a space with more than twenty five feet (25') of street frontage on the ground floor of any building or structure located in a pedestrian oriented area.
- B. Notwithstanding subsection A of this section, for any building or structure situated at the corner of two (2) streets located in a pedestrian oriented area and with frontage on both streets, a use other than a retail use or a hotel may occupy a space with up to twenty five feet (25') of ground floor street frontage on each street for a total ground floor street frontage of up to fifty feet (50'). (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

10-3-1655: EXCEPTIONS:

- A. Notwithstanding any other provision of this article, the director of planning and community development may issue a minor accommodation pursuant to the provisions of article 36 of this chapter to authorize a restricted use to occupy a space in a pedestrian oriented area with a width of up to thirty feet (30') provided that the director makes the following findings:
1. The proposed restricted use is compatible with and will not result in any substantial adverse impacts to surrounding uses;
 2. Granting the request for a minor accommodation will leave ample space available for future retail uses and will not result in an over concentration of nonpedestrian oriented uses in the block in which the proposed restricted use will be located;
 3. The architectural style of the facade for the proposed restricted use is compatible with adjacent development and is consistent with the city's urban design policies;
 4. A restricted use is appropriate for the proposed space because:
 - a. Structural constraints imposed by the design of the building are unduly restrictive on the use of the subject lease space thereby limiting the opportunity for retail or hotel uses in the proposed space; or
 - b. The configuration of the building in which the proposed space is located is not suited to pedestrian oriented retail uses and does not contribute to the pedestrian experience.
- B. Notwithstanding any other provision of this article, the planning commission may issue a conditional use permit pursuant to the provisions of article 38 of this chapter to allow a restricted use to occupy any space subject to the provisions of this article. In addition to considering the criteria for conditional use permits set forth in article 38 of this chapter, the

planning commission shall make the following findings:

1. The proposed restricted use is compatible with and will not result in any substantial adverse impacts to surrounding uses;
2. Granting the request for a conditional use permit will not result in an over concentration of nonpedestrian oriented uses in the block in which the proposed restricted use will be located;
3. Granting the request for a conditional use permit will not adversely impact the public health, safety or general welfare and will leave ample space available for future retail growth in designated pedestrian oriented areas;
4. The configuration of the building in which the proposed space is located is not suited to pedestrian oriented retail uses and does not contribute to the pedestrian experience. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)