



Planning Commission Report

Meeting Date: November 22, 2011

Subject: **GATEWAY PROJECT (9900 Santa Monica Boulevard, 9848 Santa Monica Boulevard & 9817 Santa Monica Boulevard):** Final Environmental Impact Report for a Request for a General Plan Amendment and Zone Change on three T-1 zoned properties and a Development Plan Review for the construction of a new three-story, 45-foot in height office building containing approximately 90,000 square feet of floor area and 274 parking spaces.
PROJECT APPLICANT: Jeffrey Wilson, Maynard Brittan and Jeff Mirken

Recommendation: That the Planning Commission direct staff to:

1. Review and provide direction on the proposed overlay objectives;
 2. Direct staff to prepare resolutions:
 - a) To certify the FEIR
 - b) Amend the General Plan to allow Commercial –Low Density General; and
 - c) Amend zoning code to allow implementation of the Gateway Overlay Zone;
 - d) Resolution to deny Wilson Project at 9848 Santa Monica Boulevard.
 3. Continue the public hearing to January 26, 2012.
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REPORT SUMMARY

This report transmits the recommendation of the City Council/Planning Commission Liaison meetings regarding this project, provides information about revisions to the Wilson Project and outlines potential overlay objectives and development standards for the properties.

BACKGROUND and SUBCOMMITTEE REPORT

On March 24, 2011, the Planning Commission held a public hearing (Attachment A, Staff Report) to discuss the project and continued the matter to a date uncertain with direction to arrange a Beverly Hills City Council Council/Planning Commission Liaison Committee meeting. On April 19, and August 3, 2011, the Council liaisons (Vice Mayor Brien and Councilmember Bosse) met with Planning Commission Chair Yukelson and Vice Chair Corman and the project applicants to discuss the future development of the three subject parcels.

The Liaison Committee concluded that some development of the properties is appropriate, but the following points should be considered:

Attachment(s):

- A. PC Staff Report dated March 24, 2011
- B. Architectural Plans (under separate cover)
- C. FEIR

Report Author and Contact Information:

Rita Naziri
(310) 285-1136
rnaziri@beverlyhills.org

- The C-3 regulations are not the right standards to apply to the future development of these properties;
- Developers of the project site should be encouraged to consolidate the C-3 lots fronting Santa Monica Boulevard South Road Way;
- The three properties may be evaluated independently;
- Development of the site should include ample green space;
- Development of the site should include a generous setback from North Santa Monica Boulevard;
- Development of the site should include adequate modulation, low height and density; however, higher height may be considered based on providing public benefit incentives such as additional parking;
- Development should encourage and promote pedestrian mobility and activity by incorporating uses other than just general office such as restaurant and retail;
- Development should include additional for the area parking;
- Development should consider removing metered parking spaces on Santa Monica South Road Way and placing public parking on the development site;
- Development should provide dedication along Santa Monica North Road Way to provide a bike path along the road;
- Development should incorporate iconic architecture befitting the Gateway location of the properties; and
- Applicants should meet individually with the Planning Commission Subcommittee for additional discussion.

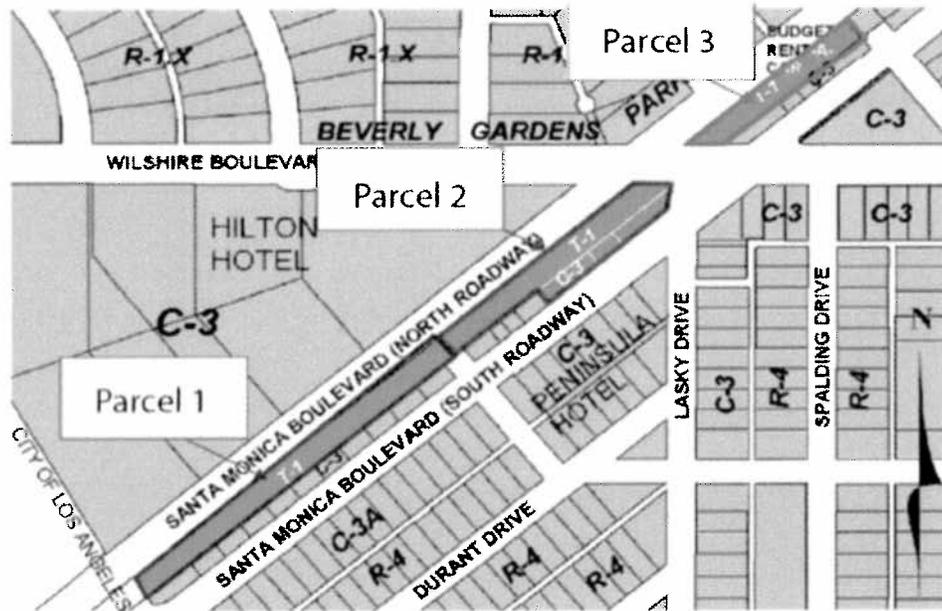
Pursuant to the Liaison committee's direction, the Planning Commission Subcommittee met with the project developers separately on September 14, 2011, September 19, 2011, October, 4, 2011 and October 10, 2011. Three themes emerged from the Planning Commission meetings with individual applicants: 1) some development of the properties may be appropriate; 2) a zone change to the C-3 does not appear provide the appropriate standards to guide development; and 3) draft zoning overlay objectives and standards should be prepared by staff for review by the full Commission.

For reference, the project analyzed in the Environmental Impact Report as well as the Wilson's revised project is described below.

PROJECT DESCRIPTION

The proposed project involves the rezoning of three parcels totaling approximately 3.0 acres from the T-1 (Transportation Zone) to the C-3 (Commercial Zone), a General Plan Amendment to designate all three properties as Commercial - Low Density General, and development of an approximately 90,000-square foot office building on one of the three parcels. Each parcel is separately owned.

Project Location Map



PROJECT ANALYZED IN ENVIRONMENTAL IMPACT REPORT

PARCEL 1 PROPOSED PROJECT: General Plan Amendment to designate the property for Low-Density General Commercial uses and a Rezone to the C-3 classification. Since no development project is proposed, for the purposes of EIR analysis the site was assumed to be developed with a 3-story, 45-foot in height commercial building with a 2:1 Floor Area Ratio containing 112,346 square feet of office floor area and 7,100 square feet of ground floor retail space providing 341 parking spaces.

In order to develop the site to the extent assumed in this analysis, two adjacent parcels that front on South Santa Monica Boulevard would need to be incorporated into the conceptual model project. These parcels would be necessary to give the project sufficient subterranean space to develop a viable parking garage, and to provide pedestrian access opportunities from Little Santa Monica. The subject property owner currently has ownership of two lots on Little Santa Monica, so this is a reasonable assumption.

PARCEL 2 PROJECT REVIEWED IN EIR: General Plan Amendment and Rezone similar to Parcel 1 for portion of property within the T-1 Zone. The project proposes a 3-story, 90,000 square foot office building with four levels of subterranean parking containing 274 parking spaces. As proposed, the project would be setback 6-feet from Wilshire Boulevard and 18-feet from the westerly portion of the project, at the intersection of Wilshire/North Santa Monica/South Santa Monica Boulevards.

PARCEL 3 PROPOSED PROJECT: Similar to Parcel 1, Parcel 3 contemplates a General Plan Amendment and Rezone only – no development project is proposed at this time. For the purposes of analyzing potential impacts of the full buildout of this property under C-3 standards, the EIR assumed incorporation of the adjacent C-3 zoned parcels fronting along Little Santa Monica, which are held under common ownership with Parcel 3. The assumed buildout evaluated in the EIR is a 3-story, 45-foot in

height commercial building with a 2:1 Floor Area Ratio containing 31,307 square feet of ground floor retail floor area and 41,920 square feet of office area located at the second and third floors. The analysis assumed 3-levels of subterranean parking containing 209 parking spaces.

REVISED PARCEL 2 PROJECT

Subsequent to subcommittee meetings with Wilson, a revised project for Parcel 2 has been submitted to staff. Although no formal changes to the applications for Parcels 1 and 3 have been submitted, each of these applicant teams have discussed the possibility of an overlay zone for their respective properties in lieu of the existing applications on file for a C-3 zoning classification.

A revised Parcel 2 Project was submitted to the City Council/Planning Commission liaisons and refined through the Planning Commission meetings with each applicant.

PARCEL 2 REVISED PROJECT: Approval of the revised project would require approval of a General Plan Amendment and zoning text amendment to establish development standards that exceed existing regulations as well as additional environmental review and re-circulation of the Environmental Impact Report. Although the proposed floor area, access locations and configuration of the revised project remain the similar to the original project, the table below identifies the differences, including a newly proposed fourth story:

Category	Original Project	Revised Project
Floor area	90,000 sq.ft. of office use	90,000 sq.ft. of office use and retail
Use	Office	Retail (15,523 sq.ft.) & Office
FAR	2.0	2.0
Parking	271 parking spaces in four subterranean levels	307 parking spaces including 39 compact parking spaces in a three subterranean levels. Garage would extend 9' beyond the property line, under public right-of-way(Santa Monica roadway south and North)
Loading	3 loading within the subterranean garage	3 loading spaces at grade
Height/stories	42' high, 3-stories	65', 4-stories
Setbacks	North(Side) 0' East(Front) 0' South (side) West(Rear) 18'	North(Side) 6' East(Front) 0' South (Side) 0' West (Rear) 116'

Revised project plans are provided in Attachment B.

Environmental Assessment

The subject project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines¹, and the environmental regulations of the City. The City prepared an initial study and, based on the information contained in the initial study, concluded that there was substantial evidence that the Project might have a significant environmental impact on several specifically identified resources. Pursuant to Guidelines Sections 15064 and 15081, and based upon the information contained in the Initial Study, the City prepared an environmental impact report (the "EIR") for the Project to analyze the Project's potential impacts on the environment. As indicated above, the DEIR was previously circulated for public review on November 3, 2008 for the required 45-day public comment period. The Planning Commission's meeting of November 20, 2008 allowed for added public testimony regarding the DEIR. In addition, the Planning Commission provided comments on the adequacy of the document and requested additional analysis to be included in the FEIR (Attachment Q).

The FEIR is adequate for the legislative portions of the project, i.e., for a General Plan Amendment and the establishment of an overlay zone, however additional analysis and documentation would be required prior to the approval of a development project. Additional information regarding the FEIR is provided in the March 24 Staff Report (Attachment A).

DISCUSSION

Applications have been submitted by three separate property owners of T-1 zoned land for a zone change to the C-3 Zone and have been in the processing stages for several years and the required EIR has been completed. After numerous public hearings and subcommittee meetings, if the Planning Commission is inclined to support the approval of any entitlements on the site, staff recommends following the procedure identified below. Alternatively, if the Commission is not inclined to support development of the site, staff would request that the Planning Commission direct staff to prepare resolutions denying the project.

ZONE CHANGE/GENERAL PLAN AMENDMENT

Applications for a zone change from the T-1 to the C-3 Zone have been submitted to the City along with corresponding General Plan Amendments. Based on the meetings of the City Council Liaison Committee and Planning Commission Subcommittee, staff does not believe that applying the C-3 Zoning standards to the subject properties would result in development appropriate to the size, location and configuration of these parcels.

Rather, than the C-3 standards, the creation of an Overlay Zone with specific objectives and standards would be a better solution to guide the future development of the subject properties. Moreover, because incorporation of abutting parcels on South Santa Monica Boulevard would be encouraged for any development of the existing T zoned lots, staff would suggest that the proposed Overlay Zone be applicable to all subject properties and all adjacent properties fronting Santa Monica Boulevard South Roadway.

¹ The CEQA Guidelines and Statute are available online at <http://ceres.ca.gov/ceqa/guidelines>

Under the simplified scenario discussed here, entitlement processing would be multi-phased and separated into two steps, the first to create an overlay zone and the second to apply the overlay to a specific parcel and development project. Each step is discussed below.

Step 1: Creation of Overlay Zone

Under a multi-phased approach, the first steps would be:

General Plan Amendment to change the existing Railroad land use designation.

Creation of a Gateway Overlay Zone:

- Specific Objectives; and
- Development Standards
- Require Planned Development

Step 1 could be accomplished within the construct of the existing zone change applications and the EIR pending before the Planning Commission.

Step 2: Application of the Overlay to Specific Parcels

Subsequent to the creation of an appropriate Overlay Zone by the Planning Commission and City Council, individual property owners would be required to submit applications:

- To apply the Overlay Zone to their specific parcel;
- For a Planned Development Permit to ensure that proposed development is consistent with the standards and objectives of the Overlay Zone; and
- For environmental analysis to evaluate and document potential environmental effects that might result from a specific development proposal, consistent with the requirements of CEQA.

Under this approach, Step 2 would occur sometime in the future, when a property owner proposes a project consistent with the objectives and standards identified in the Overlay Zone.

OVERLAY OBJECTIVES AND STANDARDS

Overlay Objectives

To further advance a multi-phased approach, staff has identified the following objectives that could be included in a Gateway Overlay Zone:

- Development within the Overlay Zone is consistent with the elements of the City's General Plan;
- The scale and massing of the development within the Overlay Zone is compatible with the character of Santa Monica Boulevard South Road Way and Santa Monica North Roadway through appropriate height limits, floor area ratios, modulation, and setbacks;

- Development within the Overlay Zone will contribute to and enhance the character of the neighborhood and foster an appropriate mix of uses including a pedestrian friendly environment in the vicinity of the development;
- Development within the Overlay Zone provides an appropriate amount of parking in consideration of the existing parking shortage in the vicinity of the development and the proposed uses;
- Development within the Overlay Zone promotes the garden quality of the City through appropriate green space;
- Development within the Overlay Zone does not result in detrimental impacts to existing or anticipated development in the vicinity of the project with regard to traffic levels, traffic safety, pedestrian-vehicle conflicts, pedestrian safety hazards, parking demand, parking design, loading or manner of operation, unless the reviewing authority finds the development benefits outweigh the detrimental impacts.
- Development within the Overlay Zone incorporates adequate land dedications that may be needed for possible future road widening;
- Development within the Overlay Zone incorporates iconic architecture to enhance this gateway to the city; and
- Development within the Overlay Zone includes public benefits.

Development Standards

In addition to the draft objectives identified above, following are draft development standards that could be included within a Gateway Overlay Zone:

Permitted Uses	Office, retail, restaurants, galleries and museums
Prohibited Uses	All uses prohibited in C-3 Zone including medical office
Height/Story Restriction	No building shall exceed three stories as defined in BHMC 10-3-100. Building height shall not exceed a maximum of 45 feet as defined in BHMC 10-3-100.
Floor Area Ratio	Development within the Gateway Overlay zone may have floor area ratio ranging from 0.5:1 to a maximum allowed density of 1.5:1. The actual permitted floor area of any development located within the Gateway Overlay Zone shall be as set forth in an approved Planned Development Permit. However, any project that is proposed solely on property located within the T-1 Zone shall not exceed a floor area ratio of 0.5:1, while a project that incorporates at least three immediately abutting parcels fronting along South Santa Monica Boulevard may be developed with a floor area ratio of up to 1.5:1.

Setbacks	Setbacks shall be provided as authorized in a Planned Development Permit, consistent with the objectives contained within the Overlay Zone. Building setbacks along North Santa Monica Boulevard shall be an average of 15-feet as measured before any required land dedication. The minimum setback shall 12-feet.
Green space	Any setback located along Santa Monica Boulevard North Roadway shall be landscaped as authorized in a Planned Development Permit, consistent with the objectives contained within the Overlay Zone.
Dedication	Dedication required for roadway improvements shall be provided as identified in a Planned Development permit, consistent with the objectives contained in the Overlay Zone.
Parking	Parking shall be provided as identified in a Planned Development permit, consistent with the objectives contained in the Overlay Zone.
Loading Facilities	Loading facilities shall be provided as identified in a Planned Development permit, consistent with the objectives contained in the Overlay Zone.

ANALYSIS

The subject applications have been pending before the City for several years. Although there has been discussion of development of the T-1 parcels for a variety of public uses including parking, bus-only lane, bike path separated from traffic lanes, a green belt or other transportation use, the City Council has not acquired the land or stated any policies that would exercise any of these conceptual public uses.

Various studies have been prepared for the private development of these properties and funded by the property owners, including a Land Use Study and an Environmental Impact Report. There have been numerous public hearings regarding the proposed zone changes, including Ad Hoc and Subcommittee meetings.

While limited development of the property may be appropriate, the C-3 zoning designation is not appropriate because these standards would allow development with a floor area ratio of 2:1, a 3-story, 45-foot height limit and no setback requirements. Given the properties location at one of the City's main entrances adjacent to a major regional intersection and in consideration of the properties' size and configurations, the establishment of an overlay zone with objectives and standards that reflect the Commission's vision of the future development of these properties seems to be the appropriate course of action.

NEXT STEPS

It is recommended that the Planning Commission receive the staff report, receive public testimony and:

- Direct staff to prepare a Gateway Overlay Zone and corresponding General Plan Amendment;
- Direct staff to prepare a resolution denying all three applications for a zone change to the C-3 Zone and the development project proposed on Parcel 2.

Report Reviewed By:



David Reyes, Principal Planner

ATTACHMENT A



Planning Commission Report

Meeting Date: March 24, 2011

Subject: **GATEWAY PROJECT:** Final Environmental Impact Report for a Request for a General Plan Amendment and Zone Change on three T-1 zoned properties and a Development Plan Review for the construction of a new three-story, 45-foot in height office building containing approximately 90,000 square feet of floor area and 274 parking spaces.

PROJECT APPLICANTS: Jeffrey Wilson, Maynard Brittan and Jeff Mirken

Recommendation: That the Planning Commission:

1. Conduct a public hearing and receive testimony regarding the project;
 2. Provide direction to staff as appropriate.
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REPORT SUMMARY

This report transmits the Final Environmental Impact Report ("FEIR") prepared in conjunction with entitlement applications submitted for three T-1 zoned parcels located at the City's western border located between North Santa Monica Boulevard and the C-3 zoned parcels fronting along South Santa Monica Boulevard ("Little Santa Monica"). (See map below, under project description). Each parcel is held under separate, private ownership. Two of the three property owners have submitted applications for a zone change from the existing T-1 to the C-3 zone; the third property owner has likewise proposed a zone change, but has also submitted applications for a development project. In addition to a discussion of the FEIR, this report sets forth a framework to discuss policy issues associated with the potential development of these three parcels.

BACKGROUND

LAND USE STUDY

On December 16, 2006, the City Council and Planning Commission held a joint Meeting to discuss the future development of the three subject parcels. (See Staff Report, Attachment B). This meeting represented the culmination of the "Gateway Land Use Study," which was directed to be prepared by the City Council in 2003 and available on the City's website¹. The Study was conducted in response to the proposed development of the middle T-1 zoned parcel. The City Council approved a contract for preparation of the Study in August of 2003. The cost of the study was borne by the three property owners. The study identified various development scenarios of the parcels as well as

¹ Website Address: <http://www.beverlyhills.org/files/GatewayFINALReport2011-22-2006.pdf>.

Attachments:

- A. Final EIR (under separate cover) Report
- B. Joint City Council/PC Report (12/19/16)
- C. Planning Commission Report (11/20/08)
- D. Executive Summary Table of Environmental Impacts
- E. Architectural Plans

Report Author and Contact Information:

David Reyes, Principal Planner
(310) 285-1116
dreyes@beverlyhills.org

transportation/roadway improvements for the intersection of Wilshire/North Santa Monica/South Santa Monica Boulevard intersection.

The Staff Report recommended a rezone of the parcels to C-3 standards if the site area included all or most of the adjacent properties fronting along Little Santa Monica and a more limited C-3 (1.5:1 Floor Area Ratio) if adjacent properties were not included in a proposed development.

The Land Use Study did not result in any formal action or recommendation regarding proposed zoning or intersection improvements. However, the majority of the City Councilmembers at that time concluded that the three property owners should continue with the entitlement applications and processing including preparation of environmental documents and public hearings before the Planning Commission. Subsequent to the meeting, the owners of the other two T-1 zoned properties submitted applications for zone changes.

BROAD/MUSEUM CONCEPT

A Draft Environmental Impact Report was prepared to analyze the impacts associated with development of the properties and was circulated for public review as required by State Law. A Planning Commission meeting to discuss the DEIR was held on November 20, 2008. (Staff Report included as Attachment C). Prior to the hearing, the City received formal correspondence from representatives of Eli Broad advising that an additional alternative should be included in the DEIR analysis, one that included the development of a museum and foundation offices to be built by Broad. In addition, staff learned that there was agreement by Wilson, owner of "Parcel 2" (see Project Location Map, next page), to enter into a future lease with Broad to establish the museum on this property. Therefore, the museum concept was considered a viable project alternative and staff was obligated to include an analysis of its potential environmental impacts under State law.

Staff worked with Broad representatives to develop a basic understanding of project parameters towards a goal of amending the DEIR to adequately analyze potential impacts of the museum development. Ultimately, Broad ended discussions with staff and there is currently no plan for a museum development at this site. Due to the time taken to evaluate the Broad Museum concept, staff updated the DEIR to reflect current traffic counts, compliance with revisions to green house gas emission standards and other technical studies.

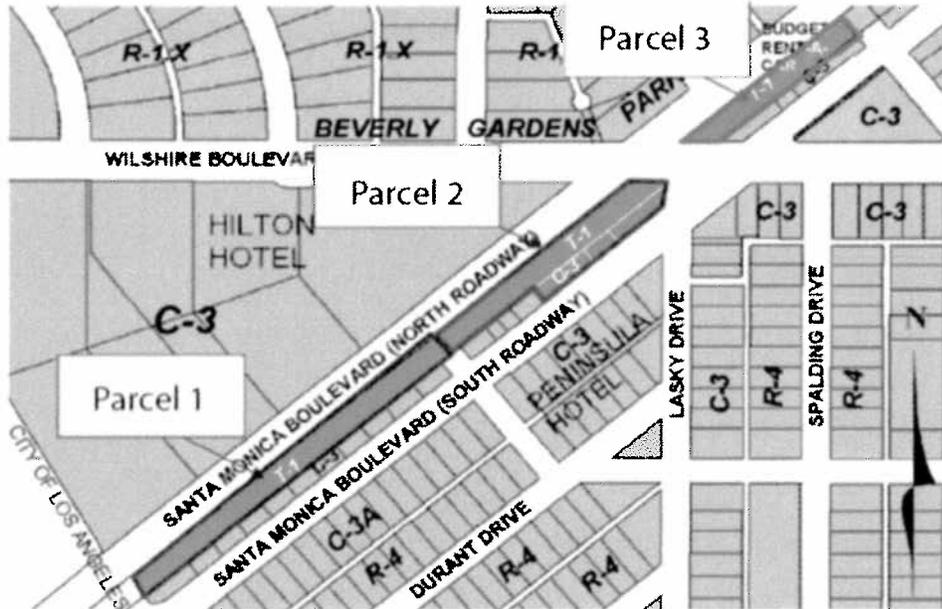
PROJECT DESCRIPTION

The proposed project involves the rezoning of three parcels totaling approximately 3.0 acres from the T-1 (Transportation Zone) to the C-3 (Commercial Zone), a General Plan Amendment to designate all three properties as Commercial - Low Density General, and development of an approximately 90,000-square foot office building on one of the three parcels. Each parcel is separately owned, as indicated below:

- PARCEL 1: Roxbury Managers, LTD, a California limited partnership
 9900 Santa Monica Boulevard
 Mr. Maynard Brittan, President
- PARCEL 2: Wilco LLC
 9848 Wilshire Boulevard
 Mr. Jeffrey Wilson

PARCEL 3: M2B2, LLC, a California limited liability company
 9817 Wilshire Boulevard
 Mr. Jeff Mirken

Project Location Map



A description of each of the parcels is provided in the table below:

Address	Parcel Number(s)	Approximate Area
9900 Santa Monica Blvd ("Parcel 1")	4328-001-023	55,757 sf (1.28 acres)
9844 Wilshire Blvd ("Parcel 2")	4328-001-001 4328-001-002 4328-001-003 4328-001-024	49,903 sf (1.15 acres) combined
9817 Wilshire Blvd ("Parcel 3")	4343-027-006	27,000 sf (0.62 acres)

PARCEL 1

PARCEL 1 EXISTING CONDITIONS: The 1.28-acre Parcel 1 property is the westernmost of the three properties; its western edge is adjacent to the boundary between the cities of Beverly Hills and Los Angeles. The parcel is partially paved and is otherwise vacant and unused. The parcel has approximately 920 feet of frontage on Santa Monica Boulevard.

PARCEL 1 PROPOSED PROJECT: General Plan Amendment to designate the property for Low-Density General Commercial uses and a Rezone to the C-3 classification. Since no development project is proposed, for the purposes of EIR analysis the site was assumed to be developed with a 3-story, 45-foot

in height commercial building with a 2:1 Floor Area Ratio containing 112,346 square feet of office floor area and 7,100 square feet of ground floor retail space providing 341 parking spaces.

In order to develop the site to the extent assumed in this analysis, two adjacent parcels that front on South Santa Monica Boulevard would need to be incorporated into the conceptual model project. These parcels would be necessary to give the project sufficient subterranean space to develop a viable parking garage, and to provide pedestrian access opportunities from Little Santa Monica (pedestrian access from North Santa Monica Boulevard is not practical or desirable from a safety, circulation or urban design perspective). The subject property owner currently has ownership of two lots on Little Santa Monica, so this is a reasonable assumption.

PARCEL 2

PARCEL 2 EXISTING CONDITIONS: The 1.15-acre Parcel 2 property comprises four assessor's parcels and is located just south of Wilshire Boulevard, between the two other properties that make up the project site. The largest of the parcels, which is aligned in a linear fashion with the other two properties, is zoned T-1, and the smaller parcels, which front on South Santa Monica Boulevard as well as Wilshire Boulevard, are zoned C-3. The T-1 area is vacant and undeveloped, although the northeastern portion is currently used for surface parking. The C-3 area is developed with three one-story commercial buildings totaling approximately 9,633 square feet. Primary access to the existing commercial uses is currently taken from South Santa Monica Boulevard. The property has approximately 590 feet of frontage on Santa Monica Boulevard, 95 feet of frontage on Wilshire Boulevard and roughly 283 feet of frontage on South Santa Monica Boulevard.

PARCEL 2 PROPOSED PROJECT: General Plan Amendment and Rezone similar to Parcel 1 for portion of property within the T-1 Zone. The project proposes a 3-story, 90,000 square foot office building with four levels of subterranean parking containing 274 parking spaces. As proposed, the project would be setback 6-feet from Wilshire Boulevard and 18-feet from the westerly portion of the project, at the intersection of Wilshire/North Santa Monica/South Santa Monica Boulevards.

PARCEL 3

PARCEL 3 EXISTING CONDITIONS: The 0.62-acre Parcel 3 property is entirely paved and is currently used for surface parking and rental car storage associated with the adjacent car rental operation. The parcel is the easternmost of the three properties, and has approximately 487 feet of frontage on Santa Monica Boulevard, 94 feet of frontage on Wilshire Boulevard and 50 feet of frontage on Linden Drive.

PARCEL 3 PROPOSED PROJECT: Similar to Parcel 1, Parcel 3 contemplates a General Plan Amendment and Rezone only – no development project is proposed at this time. For the purposes of analyzing potential impacts of the full buildout of this property under C-3 standards, the EIR assumed incorporation of the adjacent C-3 zoned parcels fronting along Little Santa Monica, which are held under common ownership with Parcel 3. The assumed buildout evaluated in the EIR is a 3-story, 45-foot in height commercial building with a 2:1 Floor Area Ratio containing 31,307 square feet of ground floor retail floor area and 41,920 square feet of office area located at the second and third floors. The analysis assumed 3-levels of subterranean parking containing 209 parking spaces.

Project Setting

The project site as a whole is bordered to the south and east by areas designated and used for commercial development. Directly adjacent to the south between the project site and South Santa Monica Boulevard are one- to three-story commercial structures with interspersed surface parking areas. The Peninsula Hotel and several office buildings lie to the south of the site across South Santa Monica Boulevard.

Areas to the north of Parcels 1 and 2 are also designated and used for commercial development, including restaurant and hotel (the Beverly Hilton) uses. To the north of Parcel 3 lies the linear Beverly Gardens Park; beyond the park are areas designated and used for single-family residences.

Directly east of the project site is a City parking structure on land also zoned T-1. The project site is bordered on the west by the boundary line between the cities of Beverly Hills and Los Angeles, and vacant land between north and south Santa Monica Boulevard beyond. Current conditions on the site and surrounding areas are illustrated in figures 2-3 and 2-4 above.

ENVIRONMENTAL REVIEW

The subject project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines², and the environmental regulations of the City. The City prepared an initial study and, based on the information contained in the initial study, concluded that there was substantial evidence that the Project might have a significant environmental impact on several specifically identified resources. Pursuant to Guidelines Sections 15064 and 15081, and based upon the information contained in the Initial Study, the City ordered the preparation of an environmental impact report (the "EIR") for the Project to analyze the Project's potential impacts on the environment. As indicated above, the DEIR was previously circulated for public review on November 3, 2008 for the required 45-day public comment period. The Planning Commission's meeting of November 20, 2008 allowed for added public testimony regarding the DEIR. In addition, the Planning Commission provided comments on the adequacy of the document and requested additional analysis to be included in the FEIR.

While each of the properties is individually owned and the City is processing each application independently, the EIR considers the development of all three parcels together as a single project. Since no development is proposed on Parcels 1 and 3, in order provide a reasonably conservative estimate of potential development that would be allowed under the requested C-3 zoning, models were developed to represent the maximum building size, allowed uses, site access, parking requirements and other basic elements of conceptual buildout. These models are the basis for this EIR's analysis of the potential environmental impacts of the development of these properties under the proposed new zoning.

The FEIR includes responses to all public comments as well as revisions to the document in response to Commission Comments. These are identified in Section 8 of the FEIR. Finally, the FEIR includes updated methodology and technical studies to ensure the data and conclusions of the report reflect appropriate information. Importantly, the study has been updated to reflect the current circulation pattern the intersection of North Santa Monica/Moreno/South Santa Monica. Parcel 1 property owner, Mr. Brittan, undertook the costs of improving this intersection in joint cooperation with the City of Los Angeles and

² The CEQA Guidelines and Statute are available online at <http://ceres.ca.gov/ceqa/guidelines>

our City's Transportation Division. Improvements allow for an east bound right turn onto North Santa Monica from South Santa Monica Boulevard that did not previously exist. Neither the response to comments or additional analysis resulted in the identification of any significant new impacts compared to those identified in the Draft EIR.

IMPACTS

The executive summary of the FEIR provides an overview of all environmental impacts that could result from project approval, including mitigation measures proposed to reduce these impacts. These impacts discussed below and a table summary of all impacts and mitigations is included as Attachment D to this report.

Significant and Unavoidable Impacts

Impact AQ-1 Temporary air pollutant emissions generated by construction activities associated with the concurrent buildout of all three parcels would be Class I, significant and unavoidable. This impact is both a project level impact and a cumulative impact that results when the project is considered in combination with other known proposed or approved development projects.

Impact T-1/T2 Traffic generated from development of Parcels 1, 2 and 3, when added to existing traffic conditions, would result in significant impacts at two of the 11 study area intersections based on the City of Beverly Hills significance criteria. Mitigation is available to reduce impacts at one of these intersections (Olympic/Spalding) to less than significant levels; however, mitigation is not feasible at one intersection (South Santa Monica Boulevard/Wilshire Boulevard). Therefore, the impact at that location would be Class I, significant and unavoidable. This impact is both a project level impact plus a cumulative impact that results when the project is considered in combination with other known proposed or approved development projects.

Noise In the event that the 9900 Wilshire and Beverly Hilton Revitalization Plan projects also undertake construction activity at the same time as the proposed project, the cumulative temporary construction noise impact from multiple construction sites adjacent to one another would result in a cumulatively significant impact.

Impacts Less than Significant

The FEIR concludes that impacts to the following environmental factors would be less than significant either with or without mitigation: Aesthetics, Cultural Resources; Hazardous Materials; Land Use and Planning; Noise; Public Services and Utilities.

PROJECT ALTERNATIVES

The California Environmental Quality Act requires Environmental Impact Reports to evaluate alternatives to the project being assessed by the report. The primary goal of evaluating alternatives is to explore whether there is another way to achieve the objectives of the project which might be better for the environment. The FEIR includes an evaluation of the following four alternatives:

- Alternative 1: No Project (no change to existing land uses);
- Alternative 2: Reduced Project (60% reduction in square footage)
- Alternative 3: Mixed-Use Project (Commercial/Residential)
- Alternative 4: Surface Parking with kiosk

The no project alternative would involve no change to the environment and is therefore considered environmentally superior overall. However, this alternative would not achieve any of the stated project objectives.

Among the alternatives, the Reduced Project is considered environmentally superior, as it would reduce impacts in most issue areas and would eliminate the unavoidably significant traffic and air quality impacts of the proposed project. The alternative would meet some of the project objectives, but would result in much less commercial space compared to the proposed project.

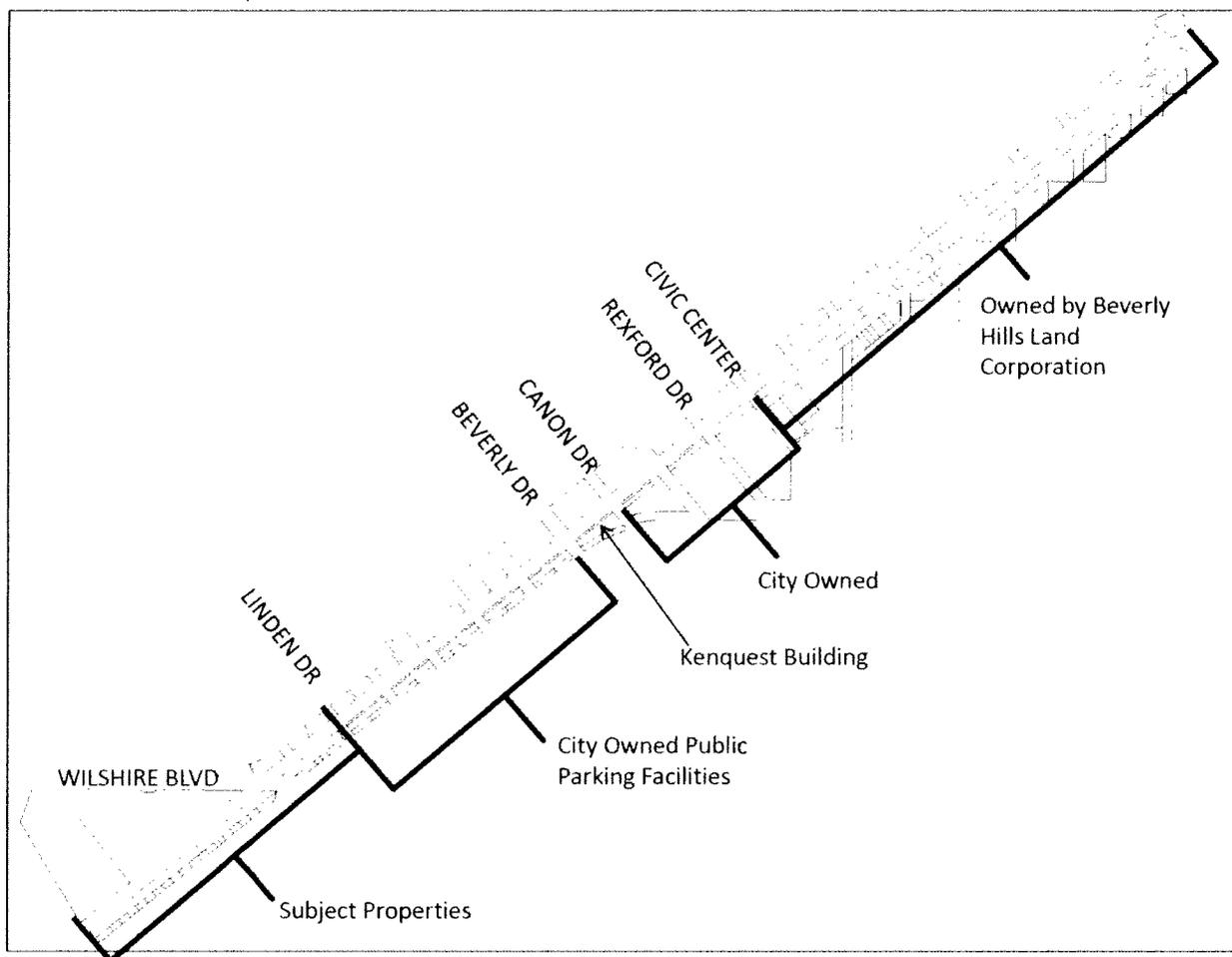
STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA regulations, when a public agency decides to approve a project that will cause one or more significant environmental effects, the agency shall prepare a statement of overriding considerations (SOC) which reflects the ultimate balancing of competing public objectives. Specifically, the public agency must find that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

POLICY DISCUSSION

Future Use of T-1 Zoned Properties

T-1 zoned properties span the length of the City along the South Side North Santa Monica Boulevard as indicated on the map below:



The map identifies whether the parcels are owned by the City or a private entity. As identified by the map, with the exception of a portion of the property bounded by Beverly Drive and Canon Drive (the Kenquest Building), due to zoning regulations, no permanent structures have been developed on these parcels. City owned properties between Linden Drive and Beverly Drive are improved with 'temporary' parking facilities.

Those T-1 zoned parcels located east of Civic Center Drive are all owned by the Beverly Hills Land Corporation. In 2002, the property owner discussed the potential of developing these properties with 67 condominium units within two (one 2-story and one 3-story) buildings with the Planning Commission as a "Project Preview." No development applications for the proposal were ever submitted.

Although there has been discussion of development of the T-1 parcels for a variety of uses including parking, bus-only lane, bike path separated from traffic lanes, a green belt or other transportation use, the City Council has not acquired the land or stated any policies that would exercise any of these considerations. Any development of the subject parcels with structures would severely limit future City acquisition and use of the parcels. Absent a plan or policy direction (since 2002 when Wilson submitted his original application for a zone change on Parcel 2) it is difficult to assume the City is interested in acquiring these properties now or in the future.

Gateway Site

The properties are located near the City's western boundary and have been identified as a Gateway to the City in various studies, staff reports and public meetings. Parcel 1 is the first property within the City of Beverly Hills along the South side of North Santa Monica Boulevard. Whether or not the subject properties are considered "Gateway" or not, they are located at one of the City's main entrances adjacent to a regional intersection and are among the first seen properties by those coming into the City from the West.

As such, the Commission may wish to consider whether development of the site should be representative of a major entrance to the City. Planning Commission policy considerations for site development may include:

- Iconic architecture;
- Mass and scale (C-3 standards or other);
- Proposed use;
- Relationship to Little Santa Monica; and
- Relationship to adjacent land uses across North Santa Monica Boulevard.

South Santa Monica Boulevard

Any development of the subject T-1 zoned properties will likely influence the future development/redevelopment/renovation of those properties fronting along the north side of South Santa Monica Boulevard. While the buildings in this area are generally older, one story structures, they comprise an eclectic mix of retail, restaurant and commercial uses that lack available parking or a unified feel.

There is an opportunity to increase pedestrian activity through appropriate design and uses that could be catalyzed through the development of the subject T-1 properties. The redevelopment of Little Santa Monica as a pedestrian area/extension of the City's core retail and dining area may be furthered

through the development of the subject T-1 parcels. Typical considerations of pedestrian orientation focus on:

- Use (retail/dining/limited commercial)
- Pedestrian Access (appropriate sidewalk widths/entrance to buildings)
- Outward Development Design
 - Building setbacks - ground and other stories
 - Landscaping
 - Open Space
- Adequate Parking (located within a reasonable distance to the properties within the designated area)

Opportunities

If development of the site is to occur there are opportunities that could be included in a project to ensure that development is appropriate for the site and compatible with surrounding uses. The Planning Commission, by way of example, may wish to consider the following:

- Landscape Buffer/Green Space Setback – Development of the subject sites may include a setback along North Santa Monica Boulevard to be improved with a landscaped garden area.
- Additional Parking – Generally, properties fronting along Little Santa Monica Boulevard in the vicinity of the project site (and especially west of Wilshire Boulevard) provide less parking than current codes require. An opportunity exists for new development to provide parking beyond code requirements that could be utilized by surrounding residents and businesses.
- Dedication of Land – Although major alteration of the Santa Monica/Wilshire Boulevard intersections is not proposed, minimal transportation improvements have been identified by the City's Engineering Department, including improvements adjacent to the easternmost portion of Parcel 2, at the North Santa Monica/Wilshire/South Santa Monica Boulevard intersection. While plans have not been completely engineered, between 6 to 8-feet of dedication would allow for the desired improvement in this area. Additionally, 6-feet of dedication along the North Santa Monica Boulevard frontage could be desired to allow for the future construction of a sidewalk and parkway, which would allow for the planting of trees and the addition of street lights.
- Pedestrian/Bicycle Path along North Santa Monica Boulevard – While no formal plan currently exists that identifies dedication of portions of these properties for a bike lane or pedestrian path, development of the T-1 zones may consider whether either of these uses is appropriate.
- Pedestrian Connectivity to uses fronting along North Santa Monica Boulevard – Existing entitlements for the 9900 Wilshire property and Hilton call for dedicated open public space. Additional public/park space is located along the north side of North Santa Monica Boulevard, east of the Wilshire Boulevard intersection. Development of the T-1 zone may include improved pedestrian connectivity between the uses fronting along Little Santa Monica and North Santa Monica Boulevards.
- New Bus Shelter – Development of Parcel 2 could include the construction of a new bus shelter, exhibiting an architectural design compatible with any building constructed on the site.

- Open Space – Development should consider the inclusion of open space within the project. It may be appropriate for the Development of Parcel 2 to include an open space design element at the North Santa Monica/Wilshire/South Santa Monica Boulevard intersection.
- Pedestrian Orientation – Opportunities exist through design and use of development of these properties to increase the pedestrian oriented nature of South Santa Monica Boulevard.

Process

All three property owners have requested zone changes from the T-1 to the C-3 zone along with a commercial designation of the property within the City's Land Use Element of the General Plan. The C-3 Zoning District allows for: a floor area ratio of 2:1; a 3-story, 45-foot height limit; most commercial uses; and no setback requirements. Since these are legislative actions, any approval would be in the form of a resolution and recommendation to the City Council.

When evaluating the subject applications, the Planning Commission may first wish to consider the appropriateness of the requested General Plan Amendment and Zone Change at the subject location. If a majority of the Commission does not support the amendments, it would be appropriate to articulate those reasons and direct staff to prepare resolutions denying the applications.

If the Commission believes that changes to the existing land use designation and development standards applicable to the subject parcels are warranted, the next question would be to what extent is development appropriate and what standards should apply.

Recently, the City established an Overlay Zone in conjunction with changes to the City's regulations regarding medical uses. This model could be applied to the subject applications and the properties could be designated as "Gateway" parcels within the City's Land Use element. This General Plan Amendment could set forth a range of allowable height and density permitted, with a maximum height 3-stories and 45-feet and maximum allowable floor area of 2 times the size of the site (2:1 Floor Area Ratio).

A corresponding Zoning Overlay could be established for the subject properties that incorporate specific goals, objectives and development standards, similar to other overlay zones within the City. A property owner within this designation could then submit applications to take advantage of these regulations.

NEXT STEPS

It is recommended that the Planning Commission open the public testimony, provide direction to staff and continue the item to a date certain.

Alternatively, the Planning Commission may consider the following actions with respect to the application for Parcels 2, Wilson property:

- Direct staff to prepare a resolution recommending certification of the FEIR and approval of the project and associated Zone Change and General Plan Amendment to the City Council based on articulated findings; or
- Direct staff to prepare a resolution denying the project and associated Zone Change and General Plan Amendment based on articulated findings, with or without certification of the FEIR

As an alternative to the recommended action, with respect to Parcels 1 and 3, the Planning Commission may consider the following:

- Direct staff to prepare a resolution recommending certification of the FEIR and approval of the Zone Change and General Plan Amendment to the City Council based on articulated findings; or
- Direct staff to prepare a resolution denying the Zone Change and General Plan Amendment based on articulated findings, with or without certification of the FEIR

Report Reviewed By:

Jonathan Lait, AICP, City Planner