



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 3, 2012

ITEM NUMBER:

**SUBJECT: GENERAL PLAN AMENDMENT GP-12-01 AND PLANNING APPLICATION PA-12-04
FOR PROPOSED WALGREENS PHARMACY
1726 SUPERIOR AVENUE**

DATE: JUNE 21, 2012

FROM: DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: MEL LEE, SENIOR PLANNER

**FOR FURTHER INFORMATION CONTACT: MEL LEE, AICP (714) 754-5611
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RECOMMENDATION

Pursuant to the Planning Commission's recommendation:

1. Adopt resolution to approve General Plan Amendment GP-12-01.
2. Adopt resolution to approve Planning Application PA-12-04, subject to conditions of approval.

PROJECT DESCRIPTION

The proposed project involves the following:

- Site specific General Plan amendment to exceed the maximum allowable Floor Area Ratio (FAR) (0.30 maximum FAR allowed; 0.49 FAR proposed).
- Demolish an existing 11,000 square-foot building (former Tower Records) and construct a new 14,310 square-foot Walgreens Store.
- Variance from building and landscaped setbacks (20 feet required; 0-18 feet proposed).
- Variance from interior parking area landscaping requirements (1,100 square feet required, 0 square feet proposed).
- Variance from maximum building height (30 feet allowed; 32 feet proposed).
- Minor conditional use permit to allow a reduction in required on-site parking spaces (57 spaces required; 44 spaces proposed).

BACKGROUND

Project Site/Environs

The property is located at the intersection of Superior Avenue and Newport Boulevard, north of 17th Street. The property contains an existing vacant retail building (formerly Tower Records) which will be demolished to accommodate the proposed project. The property is

zoned C2 (General Business District), has a General Plan Designation of General Commercial, and is also located within the former Downtown Redevelopment Project Area. The "Tower Records" site has been vacant for approximately 5 years with minimal property maintenance.

Planning Application Summary

Location: 1726 Superior Avenue Application: GP-12-01 and PA-12-04

Request: Site specific general plan amendment for floor area ratio (0.30 max. allowed; 0.49 proposed); demolishing an existing 11,000 sq. ft. building (former Tower Records) and constructing a new 14,310 sq. ft. Walgreens Store; variance from building and landscaped setbacks (20 ft. req., 0-18 ft. proposed); variance from interior parking area landscaping req. (1,100 sq. ft. req., 0 sq. ft. proposed); variance from maximum building height (30 ft. allowed; 32 ft. proposed); minor cup for parking reduction (57 spaces req., 44 spaces prop.).

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone: <u>C2</u>	North: <u>(Across Superior) C2, Commercial Uses</u>
General Plan: <u>General Commercial</u>	South: <u>C2, Commercial Uses</u>
Lot Dimensions: <u>Irregular</u>	East: <u>(Across Newport) C2, Commercial Uses</u>
Lot Area: <u>29,182 SF</u>	West: <u>C2, Commercial Uses</u>
Existing Development: <u>Commercial building (to be demolished) and surface parking</u>	

DEVELOPMENT STANDARD COMPARISON

<u>Development Standard</u>	<u>Required/Allowed</u>	<u>Proposed/Provided</u>
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Lot Size:		
Lot Width (Average)	120 FT	99 FT (1)
Lot Area	12,000 SF	29,182 SF
Floor Area Ratio (FAR):		
Maximum FAR	.30 (8,755 SF)	.49 (14,310 SF) (2)
Building Height:		
	2 Stories/30 FT	1 Story (w/Basement)/32 FT (3)
Interior Landscaping:		
	1,100 SF	0 SF (3)
Setbacks (Building):		
Front (Superior Ave.)	20 FT	67 FT
Side (left/right)	0 FT/15 FT	0 FT/138 FT
Rear (Newport Blvd.)	20 FT	0-1 FT (3)
Setbacks (Landscaping)		
Newport Blvd.	20 FT	0-18 FT (3)
Superior Ave.	20 FT	0-16 FT (3)
Parking		
Standard	54	42
Handicapped	3	2
Total	57 Spaces (4)	44 Spaces
Bicycle Racks		
	NA	1 (for 5 Bicycles)

CEQA Status | Exempt, Class 32 (In-Fill Development)

Final Action | City Council

- (1) The property is legal nonconforming.
- (2) Site specific General Plan amendment for 0.49 FAR required (see staff report discussion).
- (3) Does not comply with code requirement – variance required (see staff report discussion).
- (4) Minor modification for parking deviation requested based on unique operational characteristics as validated by parking study by KOA (see staff report discussion).

Request for General Plan Screening

On February 7, 2012, the applicant's General Plan Screening Request (GPS-11-04) was accepted by the City Council for processing. In accepting the GPA application for processing, City Council determined that, in accordance with City Council Policy No. 500-2, that there was sufficient justification for the acceptance of the request.

For example, the project would revitalize a marginal commercial property in the former Downtown Redevelopment Project area.

Review by Planning Commission

The Planning Commission considered the project at their June 11, 2012 meeting. During their deliberations, the Commissioners expressed the following opinions and points of view regarding the proposed project:

- The proposed project would provide needed jobs for the community (48-55 permanent new jobs are estimated).
- The traffic and parking impacts will be adequately addressed through the recommended conditions of approval.
- There is sufficient justification for the requested code deviations for the proposed project based on the unusual shape of the subject property.
- The project would be a substantial improvement over the existing vacant Tower Records building, which in recent years has become a magnet for homeless persons and visually detracts from northbound traffic from the City of Newport Beach.

Based on the above, the Commission recommended City Council approve the project by a 4 to 0 vote.

The Planning Commission report and attachments can be found on the City website at the below link:

<http://www.costamesaca.gov/council/planning/2012-06-11/IX.3-GP-12-01.pdf>

The Planning Commission minutes can be found on the City website at the below link:

<http://www.ci.costa-mesa.ca.us/CMCalendar.htm>

ANALYSIS

General Plan Amendment GP-12-01

- *The proposed site specific General Plan amendment is consistent with many important land use objectives of the City's General Plan.*

As noted earlier, City Council determined that the project complies with General Plan Community Design Element Objective CD-8A.1. - new and remodeled commercial structures and properties in Costa Mesa should be designed to reflect the City's architectural diversity, yet be compatible with nearby existing buildings' scale and character.

Additionally, the project complies with General Plan Land Use Element Objective LU-1C.1 - permit the construction of buildings over two stories or 30 feet only when it can be shown that the construction of such structures will not adversely impact surrounding developments and deprive existing land uses of adequate light, air, privacy, and solar access.

Amendments to the General Plan are policy decisions made by the Planning Commission and City Council. The proposed reuse of this marginal property may help catalyze revitalization of the Westside. The project involves private market investment into a deteriorated property.

Planning Application PA-12-04

Justifications for approval of the development project include the following:

- *Building architecture consists of Spanish “mission” style design and treatments, with exterior plaster treatments and mission tile roof elements.*

Per City Council direction, the applicant has provided additional architectural elements and landscape trellis treatments to further enhance and break up the building massing.

- *The project includes 9 trees within the parking area and Superior Avenue frontage, as well as three trees along the Newport Boulevard frontage.*

Additionally, the applicant will be required to provide an additional landscape buffer along the Superior Avenue frontage by reducing the width of the proposed public sidewalk and incorporating a new landscape parkway on the private property side. The existing mature trees within the landscape parkway to the north at the site are required to remain. Tree sizes and ground cover will be required to conform to Chapter VII., Landscape Standards, of the City’s Zoning Code and the Water Efficient Landscape Guidelines.

- *Project will include adequate traffic mitigation and land use restriction on the use.*

As part of the General Plan Screening request, Transportation Services staff completed a preliminary trip generation analysis and concluded that the proposed project will result in an increase in trips per the table below.

General Plan Land Use Designation	SQ. FT.	ADT X TSF	AM Peak Hr Trips	PM Peak Hr Trips	Total Avg. Daily Trips
Tower Records - Specialty Retail	10,620	44.32	-	55	470
General Plan Allowance - General Commercial	8,755	67.91	14	55	600
Walgreens - Per Traffic Study (1)	14,310	N/A	41	108	1,160

(1) Source: Traffic Impact Study prepared by KOA Corporation (Attachment 4).

Transportation Services is in support of the proposed project because the project’s traffic impacts will be mitigated by the payment of traffic impact fees. Additionally, staff has incorporated, as a condition of approval (Condition no. 17) that a land use restriction is recorded informing future property owners of the restriction that the 9,990 square-foot basement is to be used for product storage and employee use only and cannot be used as customer retail area.

- Parking is justified pursuant to an approved study. Code requires 57 on-site parking spaces for the proposed project, based on a ratio of 4 parking spaces for every 1,000 square feet of gross floor area. The 44 proposed on-site parking spaces will be adequate for the project based on the parking study prepared by KOA Corporation, which indicates that, based on a survey of three similar Walgreens stores (two in Santa Ana and one in Huntington Beach), the proposed parking supply would adequately serve the new Walgreens store. The study indicated that the City's retail parking rate of 4 spaces per 1,000 square feet is not an appropriate rate for this type and size of a Walgreens store, especially considering that the proposed store will be the smallest sized Walgreens store in Orange County.

A shared parking analysis is a tool to identify actual parking demand versus parking demand anticipated by code. In this case, the parking study shows a lower parking requirement compared to straight "Code-required" parking requirements.

The parking study has been reviewed by the City's Transportation Services Division, and they concur with the study methodology, suggested parking rates, and the consultant's conclusions regarding adequate parking. Additionally, staff has incorporated the following conditions of approval:

- If parking shortages or other parking-related problems arise, the business operator shall institute whatever reasonable operational measures necessary to minimize or eliminate the problem. These measures may include off-site employee parking, select parking spaces for short-term parking (i.e. 30 minutes, 1 hour, etc.), and/or any other measures as deemed appropriate by the Development Services Director (Condition no. 9).
- After the Grand Opening period when the interim parking plan is no longer in place, employees shall park on-site. Employee parking shall occur in any of the parking stalls on the property. Employee parking on the public streets shall be considered a violation of the terms of approval of PA-12-04. If repeated violations occur, the Development Services Director shall have the discretion to require employee parking spaces be assigned on the property, or to make arrangements for off-site employee parking if needed (Condition no. 13).
- In the attached letter submitted by Walgreens (Attachment 3), they agreed to a requirement that no later than one year from the date of the grand opening, their parking consultant shall prepare an updated parking study to determine if additional off-site parking is required for this project (Condition no. 14).

VariANCES

As noted earlier, the following variances are requested:

- Variance from building and landscaped setbacks (20 ft. req., 0-18 ft. proposed).
- Variance from interior parking area landscaping req. (1,100 sq. ft. req., 0 sq. ft. proposed).
- Variance from maximum building height (30 ft. allowed; 32 ft. proposed).

Approval of the requested variances is justified due to the following:

With regard to the requested variances from building and landscaped setbacks and interior parking area landscaping, it is staff's opinion that special circumstances are applicable to the property, specifically, the unusual triangular shape of the project site.

- With regard to the requested variance from building height, it should be noted that only one portion of an architectural tower exceeds the 30 foot height, and the deviation is only two feet above the maximum allowable height limit. A request for 2 additional feet in building height for an architectural feature is considered a minor deviation, especially given the fact the request does not relate to the overall building mass.

ENVIRONMENTAL REVIEW

If the request is approved, it would be exempt from the provisions of the California Environmental Quality Act under Section 15332 for In-Fill Development. If the request is denied, it is exempt from the provisions of CEQA Section 15270(a) for Projects Which Are Disapproved.

GENERAL PLAN CONFORMITY

As noted earlier, the project complies with General Plan Community Design Element Objective CD-8A.1. - new and remodeled commercial structures and properties in Costa Mesa should be designed to reflect the City's architectural diversity, yet be compatible with nearby existing buildings scale and character. Project complies with General Plan Land Use Element Objective LU-1C.1 - permit the construction of buildings over two stories or 30 feet only when it can be shown that the construction of such structures will not adversely impact surrounding developments and deprive existing land uses of adequate light, air, privacy, and solar access.

LEGAL REVIEW

The City Attorney's Office has reviewed the attached resolutions and approved them as to form.

ALTERNATIVES CONSIDERED

City Council has the following options in this case:

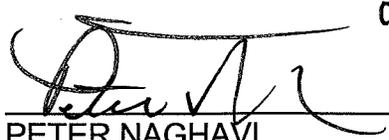
- A. Approve the General Plan Amendment GP-12-01 and Planning Application PA-12-04 as recommended by Planning Commission.
- B. Deny the project. If the project were denied, the applicant could not submit substantially the same type of application for six months.

CONCLUSION

The "Tower Records" site has been vacant for approximately 5 years with minimal property maintenance. While the unique size and location of this property presents design challenges which require variance approvals, the proposed Walgreens store would revitalize a marginal commercial property in the former Downtown Redevelopment Project area.



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Senior Planner



PETER NAGHAVI
Director of Economic & Development /
Deputy CEO

- ATTACHMENTS:
1. Location Map and Plans
 2. Draft City Council Resolutions
 3. Applicant Letter
 4. Parking and Traffic Study

DISTRIBUTION:

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Assistant Chief Executive Officer
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City Attorney
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