

**CITY OF MAN HATTAN BEACH
[DRAFT] PLANNING COMMISSION
MINUTES OF REGULAR MEETING
APRIL 10, 2019
(DRAFT)**

A Regular Meeting of the Planning Commission of the City of Manhattan Beach, California, was held on the 10th day of April, 2019, at the hour of 6:00 p.m., in the City Council Chambers, at 1400 Highland Avenue, in said City.

Chair Burkhalter called the meeting to order.

A. ROLL CALL

Present: Fournier, Morton, Thompson, Ungoco, Chairperson Burkhalter
Absent: None
Others Present: Anne McIntosh, Community Development Director
Michael Estrada, Assistant City Attorney
Rafael Garcia, Assistant Planner
Rosemary Lackow, Recording Secretary

B. APPROVAL OF AGENDA

Chair Burkhalter moved to approve the agenda, subject to removal of item 04/10/19-3 (Appeal of the Director's Approval of Coastal Development Permit CA 18-09) from the Public Hearings agenda section, because this afternoon the appellant withdrew his Appeal. The motion was seconded by Commissioner Thompson, and hearing no objections, it was so ordered.

C. AUDIENCE PARTICIPATION (3-minute limit)

Chair Burkhalter invited the audience to address the Commission on any item not on the agenda, which includes the item just pulled.

The following persons spoke on the Coastal Development Appeal at 205 Rosecrans Place which was pulled from the agenda.

Michael Meredith, recently moved to 204 38th Street.
Jonathan Dyck, lives next to Mr. Meredith.

Both individuals expressed interest in the permit approval process, its status and concern regarding timely noticing of the Appeal, and possible impacts in that they live close to the project site.

In response to questions raised by Messrs. Meredith and Dyck, staff provided the following information:

City Attorney Estrada explained that, due to the withdrawal of the Appeal, and expiration of the applicable appeal period, the administrative approval of the subject coastal permit by the Director of Community Development stands as a final decision.

Director McIntosh explained further that, with the appeal period expired, the next step would be submittal of construction plans. She gave both individuals a copy of the planning staff report and plans and, stated the City would contact both individuals and provide any desired project information. She also advised that, prior to start of construction, a meeting will be held at which neighbors will be invited to discuss construction concerns.

Assistant Planner Garcia explained the Coastal Development Permit process in detail and as he understands, the project applicant intends to submit plans to building and safety next week but is unaware as to the timing for demolition.

Chair Burkhalter informed that the application for a coastal permit occurs is in the early planning phase which is followed by a plan-check period but in both phases the plans are part of the record and are accessible to the public. The Chair also noted that in the withdrawal letter, the Appellant stated that he realized that the project

was going to be a net improvement overall compared to the existing building and was also an improvement with respect to the a concerning condition that was the basis for the appeal.

Chair Burkhalter cautioned that the speakers' allotted time was up and that further discussion on the project would be inappropriate; seeing no other speakers, he closed Audience Participation.

D. APPROVAL OF THE MINUTES

04/10/19-1. Regular Meeting – March 27, 2019

It was moved and seconded (Thompson/Fournier) to approve the March meeting minutes, and, there being no objections, it was so ordered, subject to the following changes requested by Commissioner Thompson and Commissioner Fournier and with the understanding that the requested changes, upon close review by staff of the record, would be directly incorporated by staff into the final minutes:

Commissioner Thompson requested on page 3, in the second paragraph, the second sentence be revised as follows to accurately reflect what he had said: "Commissioner Thompson emphasized that the issue of ~~late hours granting a use permit after 1:00 am.~~ is primarily one of equity for the downtown restaurants, ~~in that~~ Since 1995 no restaurants with alcohol service have has been approved with a 2:00 a.m. closing later than 1:00 a.m; this included older use permits with later closing times. It has been the city's practice since 1995 to limit all establishments downtown serving alcohol to 1:00 a.m."

Commissioner Fournier requested that, in the discussion of amendments to the Tree Ordinance (under H. Planning Commission Items), that the minutes be revised to capture his main concern which was that the requirement for owners to replace very large mature trees would be a severe financial hardship for senior citizens on a fixed income.

E. PUBLIC HEARINGS

04/10/19-2. Consideration of a Use Permit to Allow a Co-Working and Shared Office Space with Occasional Member Workshops and Networking Events and a Type 57 Alcohol License to Allow for the Sale and Onsite Consumption of Beer to Members, and Beer and Wine at Workshops and Events at 516 North Sepulveda Boulevard

Chair Burkhalter announced the item and invited staff to give a report.

Rafael Garcia, Assistant Planner gave a report summarizing the project. Topics covered included: site location and size, zoning; prior billiard hall/sports bar use; proposed parking; proposed physical changes including in the interior, smaller offices, conference rooms and 1,500 square feet of "flex space". The business will cater to creative or artistic clients who, have regular office hours, but on occasion may host after-hours event until 11:00 pm typically in a "flex space". Mr. Garcia went over the alcohol request and showed images of the applicants' other similar operation in El Segundo. He reported on a public comment received and input from City departments and concluded that staff recommends that the Commission conduct the public hearing, accept testimony, and adopt the draft resolution, approving the project.

The Commission discussed the project with Staff, noting that main concerns were potential nuisances such as parking encroachment into residential areas and noise. Staff responded to questions as follows:

- **Building occupancy: will there be a change in type? How do the networking events work and what kind of review will there be? (Thompson)** Mr. Garcia responded: 1) he thinks there will be a change in occupancy which will be addressed in plan-check; 2) networking events will be only as related to the office uses and would not be rented out to the general public; 3) Staff has an option of conducting an annual use permit review if issues or problems arise.

- **Parking requirement calculation? (Burkhalter):** Mr. Garcia noted that the amount of spaces required (32) is based on a standard of 1:300 square feet of general office use. The workshops, due to relatively low expected attendance, infrequency and off-hour time frame, are considered accessory to the main office uses and are calculated at the same rate; this rate has been reviewed and affirmed as adequate by the City Traffic Engineer. Director McIntosh added that staff looked at how other similar use operations and staff believes that the application of 1:300 will be more than adequate.

- **What would be the allowed occupancy of the “flex area” per the Fire Department? Can the public schedule an event? (Fournier)** Mr. Garcia stated he believes 25 - 30 persons would occupy this area, and perhaps typically the number would be closer to 15 persons per event. Tickets will be required for larger events to control attendance. Three types of events are proposed: workshops, non-recurring networking and non-recurring community events; the majority will be related directly to the office members and the public cannot schedule events.

- **Status of prior alcohol license, “Casino Night” and alcohol storage issues (Fournier)** Mr. Garcia explained that the alcohol license is issued by the State. Staff believes the prior license has been sold and the applicant will have to secure a new alcohol license. In addition, a City “Entertainment Permit” is required for special events that occupy more than 1,500 square feet and this undergoes a special City review and special conditions can be imposed. In addressing the Police Department concerns, although tenants will have key access to the building in after-hours, alcohol would be required to be kept in a locked refrigerator with the key access maintained by the receptionist (condition 12); casino gaming is not proposed and is expressly prohibited (condition 13).

There being no further questions, Chair Burkhalter opened the public hearing.

PUBLIC HEARING

Ellen Berkowitz, applicant representative, presented the proposal and addressed questions and showed renderings of the exterior, noting the Manhattan Beach would be the third such facility in addition to existing operations in El Segundo and Hermosa Beach. An existing pole sign will be removed and replaced and new landscaping installed. Ms. Berkowitz described the tenants that would occupy the building and collectively share amenities. The work stations and individual offices will be on the second floor, overlooking an atrium. The 1,500 square foot flex space is an open area on the first floor and is intended for networking and relatively small workshops held after the offices are closed and some community events will be hosted. The Fire Department occupancy limit is 80 persons in the flex space, but Unita would allow only up to 40 persons. The alcohol license (Type 57) applies to private clubs with membership, and although the state would allow distilled spirits, their request is to serve only beer and wine. Gaming is suggested to encourage socializing, not for gambling; the beer/wine refrigerator is very small and access will be controlled. The applicant has reviewed and accepts all proposed conditions.

Ego Alpay, Unita CEO, stated his business offers creative workspaces and workshops and events geared toward the local community and the events are designed for the members and great pride is taken in the quality of these events, the offices and amenities.

Ms. Berkowitz and **Mr. Alpay** responded to several initial questions from the Commissioners, noting: they are agreeable to all terms of condition 9 (hours of operation); regarding access - members will have cardkeys to the building providing access outside of normal hours. Regarding the workshops and networking events: they usually originate with a member and are promoted on the company website and newsletter to about 300 persons (typically between 10 and 15 persons show up). The workshops are not designed to raise money but to connect the community through art and creativity and anyone in Manhattan Beach or who gets a newsletter can attend. Bike racks will be provided, but no EV charging stations are being proposed, but if required in plan-check, they will comply.

Commissioner Thompson emphasized that the primary issues are parking and noise and how the use permit is conditioned to address any potential nuisances that may occur. Regarding the Entertainment Permit which is issued annually, it is critical that Unita provide all potential events throughout the year so that appropriate conditions can be applied.

Ellen Berkowitz stated that she understands that if Unita were to have a large event using more than 1,500 square feet, then the company would need to apply for an Entertainment Permit. However, Unita would not be agreeable to limiting occupancy in the entire building to 40 persons as they believe this is unnecessarily restrictive.

Commissioner Thompson reiterated that his concern is that there be adequate parking on the site for all uses and if this happens, employees or visitors may be parking in the neighborhood, impacting residents.

Ellen Berkowitz responded that on-site parking was fully discussed with staff and the goal was to size the flex space such that its parking need would be fully accommodated in the site parking lot.

Director McIntosh pointed out that the prior use on the site had the most intensive parking requirement in the code, and, as the proposed use is much less intensive, staff found it difficult to apply a stricter parking requirement.

Ego Alpay added that Unita is very comfortable with the proposed parking plan and overall proposal, stating that, as with their other locations, most of the members are expected to live within 5-10 blocks and are happy that they do not have to drive to work.

Chair Burkhalter asked whether the operating hours should be expanded somewhat to accommodate unusual work hours, such as those who work remotely from an east coast-based company, in which case earlier starting hours would be appropriate. **Ellen Berkowitz** stated that Unita would be fine in having a more flexible condition on hours.

Commissioner Thompson asked about the existing pole sign - Assistant Planner Garcia stated that the applicant will be required by condition to remove the portion that provides for changeable copy.

There being no one else wishing to speak, Chair Burkhalter closed the public hearing.

COMMISSION DISCUSSION

Commissioner Morton stated he will support the project - it's a different office concept with a little different execution, but he likes the concept and believes that the parking requirement is on the conservative side as the use and demand for parking will be staggered throughout the day.

Commissioner Fournier noted there has been a lot of focus in the City about the health of Sepulveda and he understands the concern, because the boulevard has lost and may soon lose more commerce activities, including retail stores, personal services, restaurants, car repair businesses - the kind of businesses that create walkable neighborhoods. Further, the structures that replace them will be standing for a long time. He had concern initially regarding this proposal in that it is an office use replacing a billiard hall - but he realizes this is type of office that will contribute to neighborhood walkability. He is not bothered by the attraction of people to the site - in fact would encourage more interaction with the neighborhood and local citizens such as the Chamber of Commerce and possibly the City's Arts Commission. This is exceptional not just because of the creativity and innovation but because they are engaging the neighborhood, therefore he supports the project.

Commissioner Ungogo noted he too had concern for the amount of inventory of offices on the boulevard but he supports this project because it promotes diversity of tenants and appeals to a different segment of the workforce, which will add to vibrancy of the commercial community; it will also be visually attractive. Also, the plans will adhere to the code requirements and, regarding parking - he believes that the spaces provided on-site will be more than adequate as is common especially in the creative industries, he has faith that some tenants will bike and rideshare to the site; finally the proposal will bring people out of their homes into the shared workspaces and build a more collaborative atmosphere.

Commissioner Thompson loves the project which will be a great improvement and updating of the site and he is very excited to see this proposal. He suggests two changes to the conditions of approval - first, that the operating hours be slightly expanded for more flexibility - possibly between 6 am and 8 pm - and second, that all private events be limited to a maximum attendance of 40 persons. The reason for the second condition is his concern that with the parking requirement solely based on general office, and given that the use permit runs with the land, it's possible that at some point in the future, this business can be sold to another entity that may, for example want to have more events and this could be a problem without any limit on attendance.

Director McIntosh requested clarification and **Commissioner Thompson** affirmed that the suggested limitation of 40 persons would apply only to the member workshops and corporate events mentioned in Condition 10 and would not apply to events that would require a separate Entertainment Permit, as covered in Condition 11.

Ellen Berkowitz requested that the Commission consider an alternative condition that would limit the number of events per month, rather than the attendance per event.

Chair Burkhalter re-opened the hearing to accept further input from the applicant.

PUBLIC INPUT

Ego Alpay, applicant, explained that they want to function as an arts hub for the community whereby create local citizens would have a venue to show their work, and if limited to 40 persons, then only 40 persons would be able to participate in these wonderful shows. Further mitigating aspects are that the events will be targeted only to the local community, and would be held on the weekend when there would be no overlap with the workspace activities. He doesn't think these events would be a problem.

Commissioner Thompson clarified that his suggested limit of 40 is at any one time and this number came from the applicant's testimony. He is concerned about protecting the entitlement in the future even if the owner changes. **Commissioner Thompson** noted that use permits also sometimes include a condition that requires that all employees park on site. He also suggests a stand-alone condition that requires all employees and visitors to park on the commercial site.

Commissioner Fournier stated that he doesn't see a problem with requiring employee parking to be on-site but has a problem with limiting the event attendance and requiring non-employee visitors to park on-site.

Assistant City Attorney Estrada asked how the City would enforce visitor parking; **Commissioner Thompson** acknowledged enforcement of visitors would be difficult but believes it could be done on a complaint basis - upon investigation and if determined to be a problem, staff would notify the applicant to take appropriate action.

Director McIntosh referenced a slide photograph showing that at least two cars can fit parked along the curb adjacent to the site on 6th Street and suggested including a condition that would be worded that employees are expected to park onsite and that a one-year review be conducted to evaluate how the parking is working and there is a problem. The applicant could

Commissioner Morton suggested that a condition requiring on-site employee parking, if included, provide flexibility to the business owner, possibly requiring the owner to designate parking of employees onsite or at an alternative site.

Commissioner Thompson stated he is agreeable to not limiting attendees to 40 or specific visitor parking, but include a requirement that employees park onsite or at an alternative location coordinated by the owner and subject to approval of the Community Development Director.

Chair Burkhalter stated this is an unusual enough type of use and business model and as such calls for somewhat of a leap of faith, but he feels the ability for the City to conduct reviews of operation provides a tool for dealing with problems if they arise.

Commissioner Thompson indicated he does not see there will be a problem with the applicant, and is concerned about a possible future business operator.

Commissioner Morton stated again he believes the parking spaces provided will be sufficient for the use and does not believe there will be a problem, pointing out that the prior use was much more intensive with the same amount of parking spaces and there is no evidence that it was a problem.

Chair Burkhalter pointed out that the site plan design will accommodate drop-off and pick-up for ride sharing which is a built-in advantage.

Commissioner Morton believes that flexibility for the owner will allow the owner to bring people into the space to see art, and this is important to the success of the business plan; should on occasion more than 40 persons are on the site, he expects that, because the event space is limited to 1,500 square feet, believes that this will not cause a significant problem.

It was moved and seconded (Thompson/Fourier) that the public hearing be closed; hearing no objections, it was so ordered by the Chair.

COMMISSION ACTION

It was subsequently briefly discussed and agreed that two new conditions be added to the draft resolution: 1) that employees driving their cars to the site must park onsite or at a location arranged by the business owner and approved by the Director of Community Development; and 2) that the hours of operation be between 6:00 am to 6:00.

It was moved and seconded (Thompson/Fournier) to ADOPT the draft Resolution as so amended, APPROVING the subject Use Permit to Allow a Co-Working and Shared Office Space with Occasional Member Workshops and Networking Events and a Type 57 Alcohol License at 516 North Sepulveda Boulevard.

ROLL CALL:

AYES: Fournier, Morton, Thompson, Ungoco, Chairperson Burkhalter
NOES: None
ABSENT: None
ABSTAIN: None

**** NEXT ITEM WAS PULLED FROM THE AGENDA – SEE APPROVAL OF AGENDA SECTION ****

04/10/19-3. Appeal of the Director's Approval of Coastal Development Permit No. CA 18-09 for the Demolition of a Single Family Residence and Construction of a new Three-story Single Family Residence with a Two-car Garage and Basement at 205 Rosecrans Place

F. DIRECTOR'S ITEMS

Update on previous Commission projects

Commissioner Thompson inquired about the vacant commercial lot at the southeast corner of Sepulveda and Manhattan Beach Boulevard; Director McIntosh responded that no applications have been received for the site. Commissioner Fournier stated his concern with the "for sale" sign on the site and, despite being told it has been sold, the sign remains and he believes that this is an issue. Director McIntosh stated her understanding - that there are multiple transactions involving an underlying land owner and a long-term lessee who is looking for a possible developers or tenants.

Director McIntosh reported no construction plans have not been submitted for the mixed-use project approved last month on Highland Avenue (north end El Porto):

G. PLANNING COMMISSION ITEMS

Commissioner Thompson noted that the matter of the pulled coastal development permit appeal was very awkward in that neighbors came to the meeting expecting there to be a hearing. In brief discussion, **Director McIntosh** stated her understanding that any interested party, upon receipt of a notice can file an individual appeal that would be heard, so there can be multiple appeals. **Chair Burkhalter** pointed out that when appeals come to the Commission, their jurisdiction is solely based on the merits of that particular appeal. **Commissioner Thompson**, in noting that, when the appeal was withdrawn, the Commission lost its jurisdiction, and wondered if there were any possible code amendments that could allow for appeals in such cases, to remain open after hearing notification; it was noted that this would not be possible, as any appeal hearing must involve the appellant. **Director McIntosh** agreed that it was awkward and not desirable as the City very much encourages public participation.

Commissioner Fournier raised the issue of public noticing outside the coastal area. **Director McIntosh** stated that an agenda item could be scheduled that provides an overview of noticing rules and practices; it was agreed that this would be scheduled on the next agenda on May 24, along with the Work Plan discussion.

H. TENTATIVE AGENDA – April 24, 2019 – (See G. above)

I. ADJOURNMENT – The meeting was adjourned at 7:51 p.m. to Wednesday, April 24, 2019 at 6:00 P.M. in the City Council Chambers, City Hall, 1400 Highland Avenue.

ROSEMARY LACKOW
Recording Secretary

BENJAMIN BURKHALTER
Chairperson

ATTEST:

ANNE MCINTOSH
Community Development Director