



Honorable Mayor and Members of the Hermosa Beach City Council

CITY COUNCIL REVIEW OF A PLANNING COMMISSION APPROVAL TO MODIFY A PREVIOUSLY APPROVED SHARED PARKING PLAN (PARK25-01) AT 1601 PACIFIC COAST HIGHWAY IN THE SPECIFIC PLAN AREA 8 (SPA-8) ZONE

CEQA: Determine that the project is categorically exempt from the California Environmental Quality Act
(Community Development Director Alison Becker)

Recommended Action:

Staff recommends City Council:

1. Consider Parking Plan Amendment (PARK25-01) to allow for the consolidation of four retail tenant units totaling 5,368 square feet into two units, and to allow the activation of 1,203 square feet of previously non-leased common space into new leasable office or retail space without providing additional parking at 1601 Pacific Coast Highway in the Specific Plan Area 8 zone, subject to conditions of approval, and provide direction as desired; and
2. Determine that the project is categorically exempt from the California Environmental Quality Act (CEQA); and
3. Adopt a Resolution (**Attachment 1**) approving Parking Plan Amendment (PARK25-01), subject to conditions of approval.

Executive Summary:

The Planning Commission (PC) approved a shared parking plan for the commercial property at 1601 Pacific Coast Highway (commonly known as the Hermosa Pavilion) in 1986 through PC Resolution 86-40. The original parking plan has been amended several times for new mixes of uses to occupy tenant spaces in the building and to allow for their expansion. The property owner of Hermosa Pavilion, 1601 PCH LP (the applicant), requested approval of Parking Plan Amendment (PARK25-01), an amendment to the parking plan to allow for the consolidation of four retail tenant units into two office or retail suites and to convert 1,203 square feet of non-leased common space into leasable space without increasing parking (the project). The Planning Commission approved this request at its regularly scheduled meeting on March 18, 2025. Pursuant to Hermosa Beach Municipal Code (HBMC) Section 2.52.040, the City Council initiated a review of the Planning Commission's action on the Parking Plan Amendment and scheduled a de novo public hearing. Staff recommends the City Council provide direction as desired and approve the requested Parking Plan Amendment subject to conditions of approval.

Background:

The property involved in the request is a multi-tenant shopping center, with 128,069-square-feet of leasable area as well as a six-level parking structure containing 496 marked spaces, collectively known as Hermosa Pavilion, located at the corner of Pacific Coast Highway and 16th Street (the site). The site is designated as Community Commercial (CC) in the General Plan and is zoned Specific Plan Area 8 (SPA-8) (**Attachment 2**). The site is located outside of the Coastal Zone boundary.

The Planning Commission first approved a parking plan for the Hermosa Pavilion in 1986 through PC Resolution 86-40. The original parking plan has been amended several times to allow different types of uses to occupy the building’s tenant spaces and to accommodate their expansion. The site was first approved for development as a theater, restaurant, and shopping complex. The most recent modification to the parking plan occurred in 2016 with the Planning Commission’s approval of PC Resolution 16-2 allowing for an expansion to an existing tutoring/educational facility.

The Planning Commission approved Parking Plan Amendment (PARK25-01), allowing for the consolidation of four retail tenant units totaling 5,368 square feet into two units, and to allow the activation of 1,203 square feet of previously non-leased common space into new leasable office or retail space without providing additional parking, at its regularly scheduled meeting on March 18, 2025. Pursuant to HBMC Section 2.52.040, the City Council initiated a review of the Planning Commission’s action on the Parking Plan Amendment and scheduled a de novo public hearing. The City Council raised concerns regarding the existing parking validation system, as well as how the parking arrangement at the subject property would affect the adjacent property at 703 Pier Avenue, commonly referred to as Plaza Hermosa. Three Councilmembers initiated a review of the Planning Commission’s decision, and the action was supported by the Council at-large unanimously.

The site is governed by various entitlements, some governing the site at large, and others governing individual uses within the shopping complex. The relevant entitlements currently governing the parking plan at the site are CC Resolution 06-6482 (requiring free parking for the first validated two hours), PC Resolution 08-23 (modifying the allocation of uses), and PC Resolution 16-2 (sustaining the prior allocation of uses) (**Attachments 5, 6, and 7**). A summary table of prior meetings and actions regarding parking plan management and amendments are included below for reference.

Past Board, Commission, and Council Actions

| Meeting Date | Description |
|---------------|--|
| July 15, 1986 | Planning Commission approves a Conditional Use Permit and Parking Plan for a theater, restaurant, and shopping complex |

| Meeting Date | Description |
|------------------------------------|--|
| May 7, 1991 | Planning Commission denies a Conditional Use Permit and Parking Plan Amendment for a Billard's Hall with a restaurant, and on-sale alcohol service |
| January 19, 1999 | Planning Commission approves a Precise Development Plan and Parking Plan Amendment for an expansion and remodel to the Hermosa Pavilion and to accommodate a new allocation of uses within the center |
| February 19, 2002 | Planning Commission approves a Precise Development Plan, Parking Plan, and Variance to expand and remodel the Hermosa Pavilion to accommodate a new mix of uses, and to allow the enclosure of an upper floor open deck above the parking structure exceeding the 35-foot height limit |
| April 9, May 28, and June 11, 2002 | City Council sustains the PC's decision to approve a Precise Development Plan, Parking Plan, and Variance to expand and remodel the Hermosa Pavilion to accommodate a new mix of uses, and to allow the enclosure of an upper floor open deck above the parking structure exceeding the 35-foot height limit |
| August 19, 2003 | Planning Commission approves a Precise Development Plan and Parking Plan to expand and remodel Hermosa Pavilion and to accommodate new uses within the center |
| April 18, 2006 | Planning Commission modifies the Conditions of Approval in the existing Parking Plan to require two-hours of free parking for validated patrons of the businesses within the Hermosa Pavilion |
| July 11, 2006 | City Council sustains the Planning Commission's decision to modify the Conditions of Approval in the existing Parking Plan to require two-hours of free parking for validated patrons of the businesses and offices within the Hermosa Pavilion |
| August 15, 2006 | Planning Commission approves a Conditional Use Permit to allow on-sale general alcohol in conjunction with a restaurant and approves a Parking Plan Amendment to modify the allocation of uses within the Hermosa Pavilion |
| December 12, 2006 | City Council sustains the Planning Commission's decision to allow on-sale general alcohol in conjunction with a |

| Meeting Date | Description |
|----------------------------------|---|
| | restaurant and approve a Parking Plan Amendment to modify the allocation of uses within the Hermosa Pavilion |
| April 15, 2008 | Planning Commission approves a Parking Plan Amendment to modify the allocation of uses to include a personal wine storage facility in the Hermosa Pavilion |
| August 18, 2009 | Planning Commission denies a request by property ownership to amend an existing Conditional Use Permit and Parking Plan to eliminate the two-hour free validated parking Conditions of Approval |
| January 18, 2011 | Planning Commission approves a Conditional Use Permit and Parking Plan Amendment to allow a Tutoring/Educational Facility with a maximum of 35 students |
| January 19, 2016 | Planning Commission approves a Conditional Use Permit and Parking Plan Amendment to expand an existing Tutoring/Educational Facility |
| March 18, 2025 | Planning Commission approves Parking Plan (PARK 25-01) to allow for the consolidation of four retail tenant units totaling 5,368 square feet into two units, and to allow the activation of 1,203 square feet of previously non-leased common space into new leasable office or retail space without providing additional parking |
| March 25, 2025 | City Councilmembers Keegan, Saemann, and Mayor Francois take action to schedule a review of the Planning Commission’s decision regarding Parking Plan (PARK 25-01) with all members voting unanimously in support of the review |

Site Information Table:

The following table describes the existing site characteristics.

| Site Information | |
|---------------------|------------------------------|
| General Plan | Community Commercial (CC) |
| Zoning | Specific Plan Area 8 (SPA-8) |
| Lot Size | 83,268 square feet |

| Site Information | |
|---|--|
| Existing Leasable Square Footage | 128,089 square feet |
| Surrounding Zoning | North: Multiple-Family Residential (R-3) |
| | East: Specific Plan Area 8 (SPA-8) |
| | South: Specific Plan Area 8 (SPA-8) |
| | West: Multiple-Family Residential (R-3) |
| Surrounding Uses | North: Residential |
| | East: Commercial |
| | South: Commercial |
| | West: Residential |

The purpose of the proposed Parking Plan Amendment is to allow the City the opportunity to review the parking demand analysis based on the proposed allocation of space and on-site uses and determine whether the evidence is sufficient to support the proposed uses and building space allocation without adding additional parking. Based on the parking demand analysis dated February 19, 2025, prepared by Minegar & Associates, the proposed amendment was supported by the Planning Commission because there would be sufficient on-site parking for the proposed allocation of uses under existing conditions. Please refer to the section titled “Parking Study Analysis” below for additional details (**Attachment 4**).

Project Description:

The applicant proposes to amend the Parking Plan for the Hermosa Pavilion to allow for the consolidation of four retail tenant units totaling 5,368 square feet into two office or retail units, and to allow the activation of 1,203 square feet of previously non-leased common space into new leasable space. The applicant proposes to satisfy the demand for parking through the shared parking plan instead of providing additional parking (**Attachment 3**). The applicant has provided a updated parking study dated February 19, 2025, prepared by Minagar & Associates, Inc. to evaluate the parking demand of this proposal on the availability and utilization of on-site parking.

Discussion:

Development Standards

Hermosa Beach Municipal Code (HBMC) Section 17.44.015 (D)(2) requires that when a building is expanded by greater than 10 percent or more than 500 square feet, (whichever is greater) parking shall be provided as specified in Chapter 17.44. Given that the proposed project will expand the leasable square footage of the property by 1,203 square feet, additional parking is required. In accordance with HBMC Section 17.44.030 an office or retail use requires one parking space per 250 square feet of gross floor area. As a result, five new parking spaces would typically be required to accommodate this proposed

expansion. However, pursuant to HBMC Section 17.44.210, a parking plan may be approved by the Planning Commission to allow for a reduction in the number of parking spaces required with appropriate studies documenting that adequate parking would be provided due to the specific characteristics and circumstances of the development. It has been the City's practice that parking plans and amendments to existing parking plans are accompanied by a parking study to demonstrate the peak parking demand for a site and recommend any operational changes.

Parking Study Analysis

The Parking Study dated February 19, 2025 shows parking data in the Hermosa Beach Pavilion pertaining to a collection period spanning 21 days from January 15, 2025 to February 5, 2025 utilizing 24-hour daily monitoring. The observed peak parking demand occurred at 10:00 AM on a Saturday, with 433 spaces occupied out of the available 496. This demonstrates a surplus of 63 spaces (12.7 percent) even during peak conditions.

The study revealed distinct patterns in parking utilization across weekdays and weekends. Weekday utilization demonstrated a typical office-use pattern ranging from a low of approximately 18.15 percent during early morning hours to peak occupancy during mid-day business hours and followed by evening declines. Weekend patterns showed later morning peaks with more sustained afternoon usage.

If the proposed 1,203-square-foot expansion were allowed to occur, parking ratios for office spaces under the HBMC would assume an additional parking demand of five parking spaces. This would result in a peak utilization of 88 percent of the existing parking supply (438 spaces out of 496) when taking into account existing office vacancies on site.

Based on a very conservative set of assumptions, the parking analysis examined potential conditions under which the entire Hermosa Beach Pavilion would be fully occupied. Under these conditions, the analysis projected that there would be one morning hour on Saturday where there would be a deficit of one parking space, amounting to a 100.2 percent utilization rate. Both the planning staff and the City's Traffic Engineer reviewed and found that such a conservative estimate is unlikely, as it assumes no variability of business operations or vacancies.

Because the parking study demonstrates that the Hermosa Beach Pavilion provides sufficient parking for existing businesses and the proposed additional office spaces, even during peak utilization periods, the applicant proposes to satisfy the demand for parking through the shared parking plan instead of providing additional parking. HBMC Section 17.44.060(A) provides the following general criteria for the City's considerations for shared parking arrangements (or Common Parking Facilities):

- 1. Whether the affected requirements are those of permanent buildings, or those of mere occupancies;**

The project would accommodate a new tenant suite configuration onsite as well as a 1,203-square-foot expansion of leasable space that would require maintaining the shared parking arrangement.

2. The peak as well as normal days and hours of operation of such buildings and of the structures and occupancies with which it is proposed to share multiple-use parking areas;

The applicant provided an addendum to the prior parking study prepared by Minegar and Associates dated February 19, 2025 describing the changes in hour-by-hour parking demand. Specifically, when the converted common space is evaluated as an office use, the total projected peak parking demand (10 am on a Saturday) would reach 438 parking spaces required out of the existing 496 spaces available on site. This number is derived by taking the current peak parking demand under existing conditions (433 spaces used at the peak hour during a 7-day week) and adding five utilized spots to this total which represents the theoretical parking demand generated by the proposed 1,203-square-foot expansion based on the City's existing parking ratios for office space (1 space per 250 square feet). This amounts to an 88 percent utilization rate of the existing parking supply when considering existing office vacancies on site. When the analysis considered conservative, future conditions under which the entire Hermosa Beach Pavilion would be at full occupancy, the analysis projected that there would be a deficit of one parking space during one morning hour in a seven-day week, amounting to a 100.2 percent utilization rate. However, this analysis is based on a very conservative set of assumptions. Planning staff and the city's traffic engineer both reviewed these conditions and concluded that this very conservative estimate is unlikely to occur, given the variability of business operating hours and days as well as vacancies. **(Attachment 4, Pages 19-20)**

3. Whether the proposed multiple-use parking area is normally or frequently used by the patrons, customers or employees of other buildings or occupancies which will share such parking area at the same time as the applicant's patrons, customers and employees will normally or frequently utilize such parking area;

The project maintains the shared use of parking by both employees and customers. The Parking Study considers the parking demand by both employees and customers within its calculations and finds an adequate supply to allow a 1,203-square-foot expansion in leasable space under existing vacancy conditions and further finds that in a future scenario in which the Hermosa Beach Pavilion is at full occupancy levels, there shall be one hour in a given 7 day week where there is projected to be a deficit of one parking space. However, this analysis is based on a very conservative set of assumptions under which the entire Hermosa Beach Pavilion would be at full occupancy, which does not account for variability in business operations and market conditions.

4. **The certainty that the multiple-use parking area(s) will be available for satisfying such parking requirements to the extent approved, and the permanency of such availability; and**

The project maintains the shared parking arrangement previously approved by the Planning Commission as recently as 2016, with minor changes in tenant suite configuration and an expansion of 1,203 square feet of leasable space. The applicant will be required to record a copy of the approved resolution describing the shared parking arrangement, as well as an affidavit of acceptance demonstrating the applicant acknowledges the entitlement in its entirety (See Condition of Approval #7).

5. **The proximity and accessibility of the multiple-use parking area(s).**

The project proposes no change to site circulation or use of tandem parking. Additionally, the project will not change the location of provided parking in relation to uses on all engaged sites or means of access.

General Plan Consistency

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

| General Plan Consistency | |
|---|---|
| Land Use Element | Findings |
| <p>Goal 1. Create a sustainable urban form and land use patterns that support a robust economy and high quality of life for residents.</p> <p>Policy 1.7 Compatibility of uses. Ensure the placement of new uses does not create or exacerbate nuisances between different types of land uses.</p> | <p>The property will continue to provide enough parking to accommodate the combination of uses onsite. Further, the shared parking arrangement provides enough shared parking during peak hours of operation, to ensure all parking will be onsite and no spillover into adjacent residential neighborhoods is expected under existing occupancy conditions.</p> |
| <p>Goal 4. A variety of corridors throughout the city provide opportunities for shopping, recreation, commerce, employment and circulation.</p> <p>Policy 4.1 Shared parking. Facilitate park-once and shared parking policies among private developments that contribute to a shared parking supply and interconnect with adjacent parking facilities.</p> | |
| <p>Goal 13. Land uses patterns that improve the health of residents.</p> | <p>The Community Commercial General Plan Designation is intended to provide commercial goods and services that primarily serve the local market and community. The proposed tenant space reconfiguration and leasable area expansion would amend the type of office/retail offerings in the community for added employment and commerce opportunities in the area.</p> <p>The project proposes the reconfiguration of commercial tenant spaces as well as a</p> |

| General Plan Consistency | |
|---|--|
| <p>Policy 13.2 Social and health needs. Support the continuation of existing and new uses that enhance the social and health needs of residents.</p> | <p>1,203-square-foot expansion permitted under a shared parking arrangement. Shared parking promotes efficient use of land, reduces traffic, and encourages walking. The reconfiguration would amend the type of office/retail offerings in the community for added employment and commerce opportunities.</p> |
| <p>Policy 13.4 Private health uses. Allow for the development of private recreation, cultural, educational, institutional and health care uses along Corridors and in Districts, where they are compatible with existing uses.</p> | |

Environmental Determination:

Pursuant to the California Environmental Quality Act (CEQA), the proposed project qualifies for a Class 1 categorical exemption for Existing Facilities as defined in section 15301 (e)(1) of the CEQA Guidelines, as it consists of an expansion of less than 50 percent of the existing floor area before the addition and less than 2,500 square feet total. Moreover, none of the exceptions to the categorical exemption(s) in State CEQA Guidelines, section 15300.2 apply.

Public Notification:

For the originally scheduled May 13, 2025, City Council hearing, a total of 953 public hearing notices were mailed to the applicant, occupants, and property owners of properties within a 500-foot radius on April 30, 2025. A legal ad was published on May 3, 2025 in the Daily Breeze, a newspaper of general circulation. This item was then continued to a date certain of May 27, 2025 which does not require re-noticing. The applicant received notice posters to post on-site reflecting the May 27, 2025 date and provided proof of posting a minimum of ten days in advance of the public hearing, in accordance with HBMC 17.68.050. Public notification materials are included as **Attachment 8**. As of the writing of the report, staff has received no public comments.

Fiscal Impact:

There is no fiscal impact associated with the recommended actions.

Attachments:

1. Draft Resolution
2. Zoning Map
3. Project Plans
4. Updated Parking Study dated Feb 19, 2025
5. CC Resolution 06-6482
6. PC Resolution 08-23
7. PC Resolution 16-2
8. Public Notification Package

- 9. Minutes from Planning Commission Meeting on March 18, 2025
- 10. Applicant Narrative on Parking Management

Respectfully Submitted by: Jake Whitney, Associate Planner

Concur: Alexis Oropeza, Planning Manager

Concur: Alison Becker, AICP, Community Development Director

Noted for Fiscal Impact: Henry Chao, Finance Manager

Concur: Brandon Walker, Administrative Services Director

Legal Review: Todd Leishman, Interim City Attorney

Reviewed by: Leo Zalyan, Interim Deputy City Manager

Approved: Joe SanClemente, Interim City Manager / Public Works Director