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Sent: Thursday, March 10, 2022 2:43 PM

To: City Council <citycouncil@hermosabeach.gov>; Suja Lowenthal <suja@hermosabeach.gov>; Ann Yang <anny@hermosabeach.gov>

Subject: Zoning revision comments

Members of the City Council;

I currently own 9 commercial properties in Hermosa Beach, 7 of which are along lot A. I am also a resident of HB and have lived and have worked in the South Bay for almost 40 years. I appreciate the opportunity to assist with the economic development stakeholder committee for the last two years. I applaud the steps being taken to update the current code and the intentions of the town to encourage progressive sensible development. I feel compelled to offer my observations as a property owner, who would like to redevelop my lot A-adjacent holdings, with respect to the draft zoning regulations.

1. Hermosa downtown commercial areas sorely need redevelopment. With certain exceptions, the commercial base in the downtown/pier area badly needs redevelopment. Hermosa's commercial properties suffer from underinvestment (including my holdings). Many of the downtown area properties are neither architecturally significant, nor are they attractive. The current zoning environment discourages commercial property owners from investing. Property owners like myself are prepared to invest provided they see a viable pathway to success. In addition, I believe our downtown area needs to be more family friendly.

2. The demise of the Strand/Pier project has chilled investment. Regardless of what one thought of this project, owners have seen that a sophisticated investor was unable to surmount the parking plus environmental conditions imposed on

the project (despite spending millions on entitlements). This project would have been a positive transformative investment in our pier area in my opinion.

3. Any new zoning regulations must be viewed through the lens of encouraging or discouraging redevelopment.

I have been in touch with the larger commercial property owners and there is a consensus that any change to the current code must somehow increase flexibility. Strict bans on office or bans on mixed use second floor residential continue to discourage redevelopment. There seems to be a commercial use wish list that in principal guides the proposed regulations (retail, restaurant, hotel for example). However we are in the middle of tectonic changes in many commercial tenants that the legislation may not accommodate. Retail will not suddenly develop a burning desire to locate in Hermosa unless the customer environment is also stimulated. I work in downtown HB and there is very little weekday (non-summer) foot traffic as compared to Manhattan or Redondo Beach. Without the ability to develop financially viable projects on a reasonable timeline our commercial base will continue to flounder.

4. Hermosa needs to reach an agreement with the Coastal Commission.

Commercial redevelopment is already challenging. Property owners in the coastal zone also have an additional meaningful regulatory challenge. Manhattan Beach has been able to have a local costal plan which, in theory, removes a challenging layer of bureaucracy for development. Hermosa should also reach an agreement the Costal Commission.

5. Hermosa elected leaders need to agree on posture, otherwise we are at a stalemate.

The leadership needs to decide what

posture they want to take with respect to the downtown/pier commercial area. One could decide that they prefer no change (I don't happen to agree). I purchased my property almost 10 years ago and at that time there was a sense of urgency that was conveyed to work with commercial property owners to redevelop substandard properties. There seemed to be a proactive advocacy to work with property owners to help solve the myriad of challenges inherent when working in the pier area. Because of the high water table, the single biggest factor is parking. There are also problematic environmental issues around construction times etc. I'm not sure that sense of urgency still exists. Our elected leadership should have the conversation among themselves and their constituents about what we want to be when we grow up. Leadership should decide and orient staff to execute the desired outcomes.

While I don't speak for the other property owners, however a number of us have been in dialogue and I believe you will find consistent themes from them. My hope is to one day see my property redeveloped into something that would benefit the residents while at the same time allow financial viability. Thank you for your consideration.

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