



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: PUBLIC HEARING – Appeal of the Planning Commission’s Decision to deny Plot Plan No. 989 - A Request to construct a new commercial manufacturing building measuring 172,780 square feet and located at 7316 East Gage Avenue in the City of Commerce

MEETING DATE: October 2, 2018

RECOMMENDATION:

1. That the City Council conduct a public hearing, receive input from the public, consider the staff presentation, as well as information discussed herein and either affirm or deny the Planning Commission’s decision to deny Plot Plan No. 989.

PUBLIC NOTICE REQUIREMENTS:

Chapter 19.39.220 requires the City to publish a notice of the appeal including the time and place of the public hearing in a newspaper of general circulation in the City not less than ten days prior to the date of the public hearing. The notice must also be mailed to property owners within a 500-foot radius from the exterior boundaries of the subject property. Said notice was mailed to the property owners on September 18, 2018 and published in the Los Cerritos News on September 14, 2018.

EXECUTIVE SUMMARY:

The City Council will consider an appeal by Comstock Gage, LLC, the project applicant, for the approval of a Plot Plan to build a new manufacturing building measuring approximately 172,780 square feet on a 7.78 acre site. On August 22, 2018, the Planning Commission denied Plot Plan No. 989. The project applicant appealed that action to the City Council. The City Council will hold a public hearing to consider the matter. The City Council will base its decision on information presented to the City Council including the August 22, 2018 Planning Commission Staff Report, public testimony and testimony provided by City staff and members of the Planning Commission during the August 22, 2018 Planning Commission meeting and all testimony and facts provided to the City Council during the appeal.

DISCUSSION:

Project Description

On August 22, 2018 the Planning Commission considered Plot Plan No. 989 for the property located at 7316 East Gage Avenue. Pursuant to Chapter 19.39 Division 10 (Site Plan Review) of the Commerce Municipal Code (CMC), a Plot Plan Review is required for any new building or structure in excess of 25,000 square feet in area. The request was to consider the construction of a new manufacturing building measuring approximately 172,780 square feet on a 7.78 acre site. (ATTACHMENT 2 and 4.) Of this space, approximately 156,650 square feet is devoted for commercial manufacturing space, while an additional 16,130 square feet of office space will be ancillary to the proposed use. The project applicant proposes to provide a total of 214 surface parking spaces along with 14 loading docks and corresponding large vehicle parking spaces.

Planning Commission Hearing

At the Planning Commission public hearing, staff presented a report detailing the Department's recommendation (ATTACHMENT 1) and requested that the Commission consider all information presented to approve the Plot Plan.

Planning staff informed the Planning Commission that the proposed building complied with the City's zoning code requirements in terms of building envelope, size, setback, and number of parking spaces. (ATTACHMENT 5.) Planning staff believed that the necessary findings could be made to approve the plot plan to allow the construction of the proposed building. Planning staff concluded by recommending that the Planning Commission approve plot plan No. 989, and that it adopt the mitigated negative declaration to ensure compliance with CEQA.

During the presentation of the proposed project, the Planning Commission raised several concerns regarding the proposed use. For example, Commissioner Peraza stated that he believed the City of Commerce would benefit from additional housing development and diverse forms of economic development. Commissioner Peraza stated he believed that the development of additional housing units would attract more businesses to the City of Commerce. Commissioner Peraza stated he understood that a golf range was previously considered for the project site. Commissioner Peraza shared his disapproval for the type of use being proposed, a commercial manufacturing facility, at the project site.

Commissioner Serfozo stated that she shared the same sentiments as Commissioner Peraza regarding the City's need for additional housing. She stated that the City of Commerce faces challenges in attracting retail development centers due to the City's relative lack of housing units. Commissioner Serfozo stated that the Commission should be strategic in how it moves forward in developing and mapping out the City. To that end, she stated that the City should begin rezoning certain sections of the City to facilitate the type of growth and development that she believes would benefit the City's residents. She expressed concern in using prime development locations, such as the project site, for manufacturing purposes. Commissioner Serfozo stated that she believed the property was an ideal location for housing because of its proximity to the adjacent park and freeway.

The project applicant was given the opportunity to address the alternative uses raised by the Planning Commission. The project applicant shared that his team has considered both commercial and housing opportunities for the project site. According to the project applicant, retailers are unwilling to engage in discussions regarding the project site because they believe the hotel located at 7272 E. Gage Avenue, which is located adjacent to the project site, will block the view of potential merchants traveling along Gage Avenue. Addressing the suggested housing alternative, the project applicant stated that the project site's proximity to the freeway would require a longer environmental process. With respect to a potential golf range, the project applicant stated that the clean-up costs would make a golf range use economically infeasible.

After considering presentations from Planning staff, the project applicant and public testimony, the Planning Commission voted unanimously (5-0) to deny Plot Plan No. 989. The Commission raised the following issues and concerns in support of its decision to deny Plot Plan No. 989:

1. The Commission felt that the site is better suited for an alternative use such as housing, commercial, retail or something complimentary to the adjacent City park (Veteran's Park). This sentiment was shared by several of the Commissioners. Specifically, Commissioner Grajeda stated that it was her belief that it was time for the City to shed its manufacturing legacy and encourage the transition of the City towards new uses that will be complimentary and beneficial to its residents, rather than having the City's residents deal with the negative impacts resulting from industrial uses.
2. The Commission discussed the possibility of a recreational use that was interested in occupying the site. Specifically, the Commission was aware of a potential golf course operator that would consider developing the site to allow for a commercial golf driving range.
3. As presented to the City, the project applicant proposed a manufacturing building that is designed for a possible future tenant. At the time of the public hearing, the project applicant had not secured a formal tenant(s) for the new building. Some of the Commissioners shared their concerns about the lack of information regarding possible tenants. The lack of a specific tenant did not allow some of the Commissioners to reach the level of comfort required to support the proposed project.

PROJECT APPLICANT FILES APPEAL:

On August 30, 2018, Comstock Gage, LLC, the project applicant, appealed the Planning Commission's determination. (ATTACHMENT 3.) In their letter, the project applicant states that the proposed project complies with all requirements of the Zoning Code. Furthermore, the project applicant alleges that the Planning Commission ignored the recommended findings and denied the Plot Plan application without relying on any evidence, conducting any substantive discussion, or making any findings for denial. The project applicant argues that the Commission's decision was arbitrary and capricious and not supported by substantial evidence.

CITY COUNCIL OPTIONS:

Following the presentation of information to the City Council, staff is requesting that the Council consider the testimony discussed herein and provide direction to staff. In accordance with Chapter 19.39 Division Four of the Commerce Municipal Code, the City Council, at its discretion, has the following options:

1. Based upon the facts and public testimony presented to the Planning Commission and the facts and public testimony presented to the City Council, the City Council may deny the appeal and affirm the Planning Commission's decision to deny Plot Plan No. 989. Direct staff to prepare a resolution affirming the Planning Commission's denial including findings of fact for the City Council's consideration at the October 16, 2018 City Council meeting; or
2. Based upon the facts and public testimony presented to the Planning Commission and the facts and public testimony presented to the City Council, the City Council may grant the appeal, overturn the Planning Commission's decision to deny Plot Plan No. 989 and approve Plot Plan No. 989. Direct staff to prepare a resolution overturning the Planning Commission's denial including findings of fact for the City Council's consideration at the October 16, 2018 City Council meeting; or
3. Modify the decision of the Planning Commission.
4. Provide staff with alternative direction.

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda report relates to the 2011 strategic planning goal: "*Protect and Enhance the Quality of Life in the City of Commerce*".

Recommended by: Maryam Babaki, Director of Public Works & Development Services
Prepared by: Jose D. Jimenez, City Planner
Reviewed by: Vilko Domic, Finance Director
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Edgar Cisneros, City Administrator

ATTACHMENTS:

1. Planning Commission Staff Report prepared for the August 22, 2018 meeting
2. Project Application
3. Appeal Letter
4. Project Plans
5. Unofficial minutes from the Planning Commission hearing on August 22, 2018.