

Agenda Report

February 3, 2014

TO: Honorable Mayor and City Council

FROM: Planning & Community Development Department

SUBJECT: PREDEVELOPMENT PLAN REVIEW OF PROJECT LOCATED AT 909-915 SOUTH FAIR OAKS AVENUE ('SHRINERS HOSPITALS FOR CHILDREN')

RECOMMENDATION:

This report is intended to provide information to the City Council, no action is required.

BACKGROUND:

Shriners Hospitals for Children has submitted a Predevelopment Plan Review (PPR) application to develop the site at 909-915 South Fair Oaks Avenue. The project includes the demolition of two commercial buildings of 26,607 square feet and the construction of a three-story, 74,800 square foot, medical building (ambulatory surgery center, medical clinic, and medical offices) over three levels of subterranean parking. The new facility would be owned and operated by Shriners Hospitals for Children and used for out-patient (i.e. same day) medical services. In-patient (i.e. over-night) medical services would be provided by Shriners medical staff at Huntington Hospital.

The PPR process is established in Section 17.60.040.C of the City's Zoning Code as a process by which better projects can be achieved through early consultation between City staff and applicants. The process coordinates the review of projects among City staff, familiarizes applicants with the regulations and procedures that apply to the projects, and avoids significant investment in the design of a project without preliminary input from City staff. It also helps to identify issues that may arise during application processing such as community concerns and achieving consistency with City regulations and policies.

Projects that meet the threshold of "community-wide significance" (greater than 50,000 square feet in size with at least one discretionary action, 50 or more housing units, or any project that is deemed by the Director of Planning & Community Development Department to be of major importance to the City) are presented to the City Council as a way to inform them and the public of significant projects. The total size of the project is 74,800 square feet.

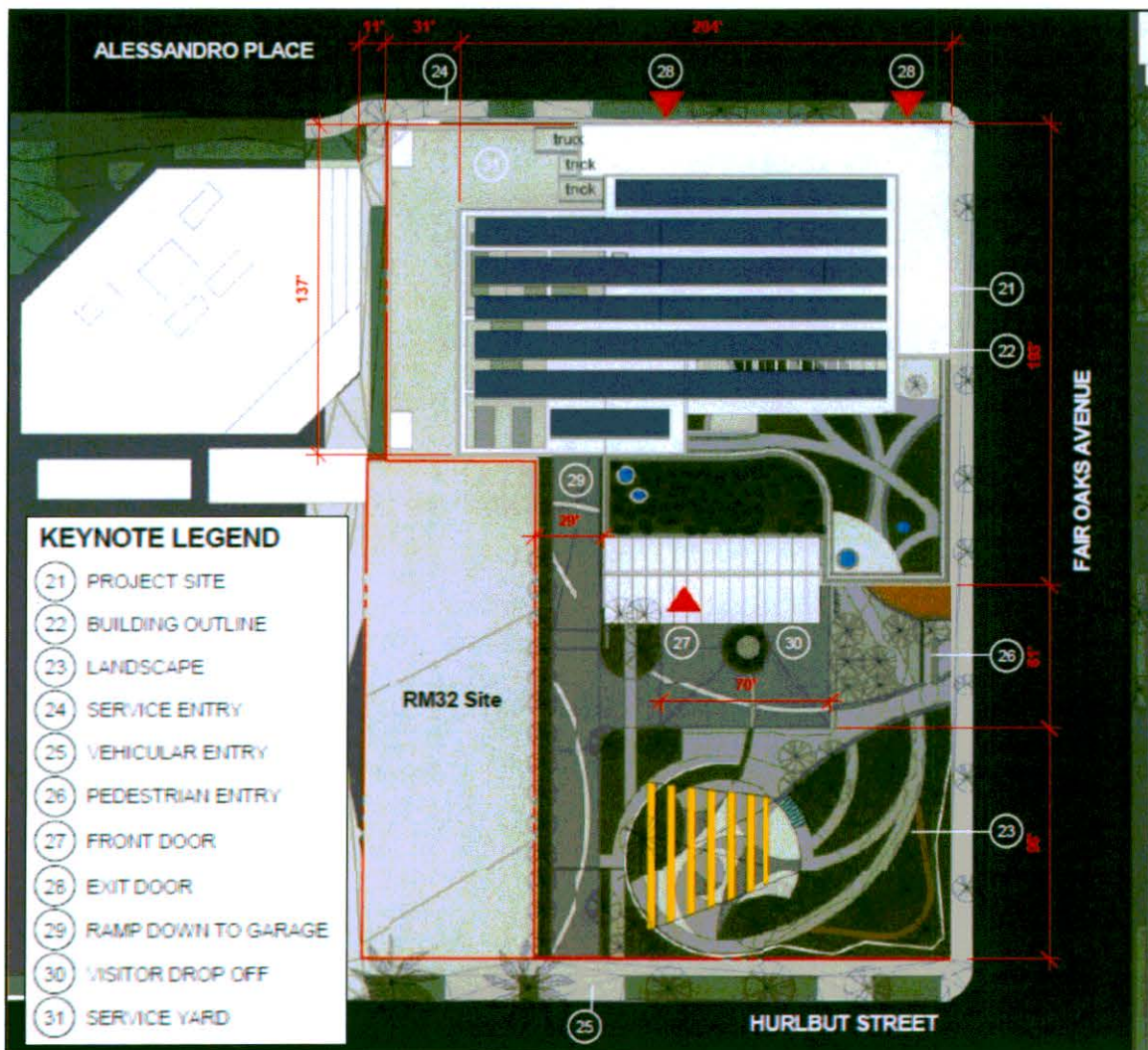
This report provides a project description, identifies the entitlement and environmental review processes, and some topic areas that staff will focus on during case processing.

PROJECT SUMMARY:

The project site is located on the west side of South Fair Oaks Avenue, between Alessandro Place and Hurlbut Street, and is comprised of two parcels whose total size is approximately 1.6 acres. Currently, the site is occupied by two one-story buildings, totaling 26,607 square feet, one of which is used as administrative offices and the other as a martial arts studio, and surface parking. The project includes:

- Demolish all buildings and surface parking on the site; and
- Construct a three-story, 74,800 square foot, medical building (ambulatory surgery center, medical clinic, and medical offices) over three levels of subterranean parking.

The proposed site plan is shown below.



Discretionary Entitlements:

Based on the information submitted to date, the proposed project would require six discretionary entitlements. Numbers 1-5 below would be bundled and presented to a **Hearing Officer**, along with the appropriate environmental review documentation. Number 6 would be presented to the **Design Commission**.

1. Minor Conditional Use Permit for a commercial or industrial development project located within one-quarter mile of a light-rail station platform with over 15,000 square feet of gross floor area;
2. Variance to be located within the encroachment plane when adjacent to a residentially-zoned property;
3. Minor Variance to have no setback where the minimum requirement is 15 feet when adjacent to a residentially-zoned property;
4. Minor Conditional Use Permit to reduce the number of parking spaces below the standards set by the Transit-Oriented Development section of the Zoning Code;
5. Private Tree Removal to remove five protected trees; and
6. Design Review for a project that exceeds 25,000 square feet in size would be considered by the Design Commission.

Typically, a project of this size, in excess of 25,000 square feet, would require a Conditional Use Permit for a Major Project. However, per Section 17.35.050 (SP-2 Development Incentives) of the South Fair Oaks Specific Plan section of the Zoning Code, projects between 25,000 square feet and 75,000 square feet in size are specifically exempted from this Conditional Use Permit requirement. Per this same section however, were the size of the project to exceed 75,000 square feet, the Major Project Conditional Use Permit would be required and would be presented to the Planning Commission instead of a Hearing Officer.

Adjustment Permit Option

As an option, the applicant could potentially submit for an Adjustment Permit, in lieu of submitting for the Variance and Minor Variance listed above. Per Section 17.61.070 of the Zoning Code, an Adjustment Permit may be requested in order to modify any applicable development standard, with the exception of an increase in residential density or Floor Area Ratio. An Adjustment Permit, and all other zoning-related entitlements, would be presented to the Planning Commission to make a formal recommendation to the City Council to consider approval, instead of being presented to a Hearing Officer.

Adjustment Permits are intended, and expected, to produce a comprehensive development incorporating a more enhanced environment and architectural excellence than would normally be possible under more standard district development requirements. Six specific findings, including conformance with the goals, policies, and objectives of the General Plan, a more enhanced environment and architectural excellence, and public benefits of the project that outweigh any of the potential unavoidable negative effects, must be made in order to approve an Adjustment Permit. In contrast, a Variance requires findings be made relative to the uniqueness of a parcel, verses a project.

PREDEVELOPMENT PLAN REVIEW SUMMARY:

On December 16, 2013, a meeting was held to discuss the PPR comments with the applicant team and staff from City departments/divisions, including Community Planning, Zoning Administration, Design & Historic Preservation, Fire, Public Works, and Transportation. The applicant team asked a number of specific questions to clarify some of the PPR comments, as well as the processes for entitlements and building permits. Below is a summary of some of the PPR comments.

Major Issues for Study:

Several of the major issues that will require further study if a formal application is submitted include:

- Zero-setback and Variance from the encroachment plane requirement along west property line;
- Need for increased orientation/emphasis towards South Fair Oaks Avenue to better engage the public realm; and
- Potential traffic impacts generated by the medical office use.

Zoning Code:

The entire site is zoned IG-SP-2 (Industry, General, South Fair Oaks Specific Plan). The allowable uses and development standards are those of the IG district (17.24), except as noted in the South Fair Oaks Specific Plan section of the Zoning Code (17.35). The site is also located within one-quarter mile a light-rail station platform (Fillmore Station) and is also subject to the regulations of the Transit-Oriented Development section of the Zoning Code (17.50.340). Described below are several of the major development standards applicable to the project, as well as how the project does or does not comply.

Height: Per Section 17.35.040 (South Fair Oaks Specific Plan) of the Zoning Code the height limit is that of the IG district: 45 feet. However, per Section 17.35.050 (SP-2 Development Incentives) properties along Fair Oaks Avenue south of Pico Street that

do not abut a residential use the maximum allowable height is 56 feet. For the subject property, it is located south of Pico Street and the neighboring property, although zoned RM-32-HL-1, is used as a parking lot for the assisted living facility to the south across Hurlbut Street. As proposed, the building would be approximately 50 feet in height, and is in compliance with the maximum allowable building height.

Size (Floor Area): There is not a maximum FAR (Floor Area Ratio) for this site. Although the IG district has a maximum FAR of 0.90, the 'SP-2 General Development Standards' section (17.35.040) of the South Fair Oaks Specific Plan section of the Zoning Code specifically states that this maximum does not apply.

Setbacks and Encroachment Plane: Within the South Fair Oaks Specific Plan, there is not a minimum required setback for any front or corner property line (e.g. any street property line) or for any side or rear yard that does not abut a residential zoning district.

In this case, there is an RM-32-HL-1-zoned property to the immediate south and west of the project site. Although it is currently utilized as surface parking for an adjacent commercial use, it is the zoning of the property, not the land use that dictates this requirement. Therefore, the setback and encroachment plane requirements of Section 17.40.160.D.3, Figure 4-9, apply to this side of the project site. These requirements are a setback of 15 feet and an encroachment plane that begins 20 feet above the property line and angles in at a 45 degree angle.

As proposed, the new building would be located immediately adjacent to the northwest portion of the RM-32-HL-1 property, and would therefore not comply with the 15-foot minimum setback requirement. At this location the building would also not comply with the encroachment plane requirement. In order to deviate from a setback requirement a Minor Variance would be required and a full Variance would be required in order to deviate from the encroachment plane requirement. The applicant has noted that the Shriners organization has the option to purchase the RM-32-HL-1-zoned property within the next two years, and that they intend to do so. However, the change in ownership would not impact the zoning of the property.

Parking: Sections 17.46.040 (Parking and Loading) and 17.50.340 (Transit-Oriented Development) of the Zoning Code govern parking for this project. The number of required parking spaces is based on the size of the facility and the Zoning Code land use category. The proposed 74,800 square foot medical office building requires parking at a ratio of four spaces per 1,000 square feet of building area, or 300 parking spaces. The mandatory 10 percent reduction in the number of parking spaces, per the Transit-Oriented Development standards, reduces the number of required parking spaces to 270 spaces.

The parking reduction of the Transit-Oriented Development section of the Zoning Code may be further reduced, per Section 17.50.340.D.1, through a parking demand study and approval of a Minor Conditional Use Permit. The submitted plans show a total of

234 parking spaces, which shows the applicant's intent to utilize this additional parking reduction.

Design and Historic Preservation:

Demolition: Per Section 17.62.090 of the Zoning Code, the demolition of a designated, or eligible, historic structure must be reviewed by the City as part of an environmental study or as an application for a Certificate of Appropriateness. Because the existing buildings are not designated as a historic resources and do not appear to be eligible for such designation, a Certificate of Appropriateness will not be required to demolish these buildings.

Design Review: Design Review is required, per Section 17.61.030 of the Zoning Code, as the project exceeds 25,000 square feet in size and is located within the South Fair Oaks Specific Plan area, with the Design Commission as the review authority. Preliminary Consultation before the Design Commission will be required prior to the submittal of an application for a zoning entitlement.

Following are some of the specific design-related topic areas that were highlighted by staff:

- *Design Concept:* All aspects of the design, on all sides of the building, should relate to an architectural design concept. The South Fair Oaks Specific Plan includes guidelines about architecturally distinguishing "interaction spaces" (also referred to as "private indoor nodes") from "work/service spaces." Private indoor nodes should be given design emphasis.
- *Massing:* The northern portion of the massing of the building appears to be appropriate to the context. A further architectural study that could add building massing along the southern edge of the site with, possible, views from the public right-of-way into a more interior garden courtyard area would be encouraged. In conjunction with this study, the introduction of alternate materials, in response to a possible larger building mass along the street edge, could help to visually scale the larger structure down and create an engaging edifice.
- *Siting:* Both the design guidelines in the South Fair Oaks Specific Plan and the Design Guidelines for Neighborhood Commercial and Multi-family Residential Districts recommend siting buildings adjacent to the street. To that end, architectural studies should be undertaken to reconfigure the massing to provide a stronger building wall along South Fair Oaks Avenue to better engage the public realm.
- *Primary Entry:* The South Fair Oaks Specific Plan recommends against primary entries opening that are less prominent and more interior to the site. The Specific Plan requirement for a "private outdoor node" could be used to create a more prominent entry that engages the street in concert with a more limited outdoor space which could, in turn, connect to a larger more interior courtyard component.

- **Compatibility:** The preliminary architectural design appears to be compatible with the surrounding context. The City of Pasadena's objective is to achieve architectural and design excellence. Buildings should improve the environment for the public, respond to their context and be compatible to the surroundings. A unique and creative proposal which references its specific site conditions would add interest and vitality to this important location.
- **Landscaping:** The design guidelines in the South Fair Oaks Specific Plan, and Section 17.35.040.B.3 of the Zoning Code, require provision of a "private outdoor node" with a minimum size of 300 square feet. It is encouraged that a landscape plan be prepared early in the design process in order for the landscape to integrate fully with the building design.
- **Signage:** Signage will be reviewed at the Final Design Phase for this project; however early consideration should be given to the location and type of signage that will help to create commercial success while appropriately responding to the design aesthetic for the structure and the surrounding urban context.
- **Materials:** Materials are reviewed at the Final Design Review Phase; however, an early examination of the materiality of the proposed building is highly advisable. The Citywide Design Principles call for durable, high-quality materials. Materials and finishes should be combined to complement each other, adding to the overall architectural statement. Finally, the Specific Plan encourages the use of particular exterior cladding materials, such as precast or tilt-up concrete, panelized metal, concrete block and smooth-finish stucco.

General Plan:

Policies and Objectives: Several of the General Plan Land Use Policies and Objectives that would apply to the proposed project include:

- **Policy 1.1 – Targeted Development Areas:** Geographical areas have been identified where the bulk of future economic development is to occur.
- **Policy 10.6 - New Business:** Recruit new business to provide retail and other services, and employment and other opportunities for Pasadena residents and visitors.
- **Policy 10.10 – Regional Center:** Encourage targeted development of cultural, scientific, corporate, entertainment and educational businesses and uses to promote Pasadena as a center of such activities in the region.
- **Policy 11.3 - Priority Opportunities:** Adopt and implement land use plans appropriate for priority employment opportunities including... (d) healthcare and senior care industries...

- *Policy 27.4 – Consultation:* Encourage project applicants to contact the surrounding neighborhood prior to submitting a formal application for the project.
- *Objective 5 - Character and Scale of Pasadena:* Preservation of Pasadena's character and scale, including its traditional urban design and historic character, shall be given highest priority in the consideration of future development.

Specific Plan: The property is located within the South Fair Oaks Specific Plan area, within the General Industrial Subarea (IG subarea). The Specific Plan currently envisions new development, particularly technology-based development that builds on the existing variety of businesses and institutions in the area.

During the General Plan Update, this vision was re-examined and shifted to focus more on leveraging the existing facilities, institutions, and infrastructure in the Raymond and South Fair Oaks corridors to foster a new environment centered on mixed-use development and existing institutional uses. The new vision supports several types of housing options that could be utilized by students or seniors. Retail uses could be supported by medical employees and eventually by local residents. Office and medical offices uses would support Huntington Hospital. The Gold Line would provide an accessible transportation alternative for a large number of employees.

The Shriners facility is an example of the type of development that is currently encouraged in this area, and will continue to be: a high quality building which offers services utilized at a regional level in the medical care industry. The facility would also create new jobs to justify the presence of housing in the area, and eventually provide a customer base for expanded local services.

General Plan Caps: In 1994, the General Plan allocated 1,550,000 square feet of non-residential development within the South Fair Oaks Specific Plan. As of the City's most recent accounting, the Specific Plan retains an allocation of 836,537 square feet. The proposed net increase on this site of 48,193 non-residential square feet is within both the current and proposed caps.

The land use element of the General Plan is currently being updated and is focused on a new vision for the South Fair Oaks and Raymond Corridors that encourages high-density mixed use developments and medical related-uses in this transitional area. The proposed land use designation for this property is Medium Mixed Use with a maximum FAR of 2.25. The proposed FAR for this project is 1.08. The draft land use map that is currently being analyzed proposes a cap of 800,000 square feet, slightly less than the allocation that is currently remaining.

Consistent with the current regulations governing the housing unit and square footage caps, it is only upon the issuance of a building permit that the units and non-residential square footage would be deducted from the remaining caps. If the new caps are

adopted by the City Council prior to the issuance of the building permit, the project would count towards the new caps.

Public Works Department:

In addition to various infrastructure improvements such as installing new sidewalks and drive approaches to meet current City standards, Public Works informed the applicant of a number of other topics related to the proposed project, several of which are detailed below.

Street Trees: The applicant will be required to plant one Coast Live Oak tree along Hurlbut Street along with installing and maintaining an irrigation system for the tree.

Street Lighting: The applicant will be required to install a maximum of two street lights on or near the frontage of the property on Fair Oaks Avenue.

Wheelchair Ramps: The applicant will be required to install wheelchair ramps that comply with the regulations of the American with Disabilities Act (ADA). This may require the dedication of land at Fair Oaks and Alessandro and Fair Oaks and Hurlbut.

Transportation/Traffic:

The thresholds identified in the City's Traffic Impact Review Guidelines require that a Traffic Impact Study be conducted for the project. The Study will be considered as part of the environmental review of the project.

As part of the PPR comments the Department of Transportation noted that any new driveways must be located at least 50 feet from any street intersection and shall be approved by the Department of Transportation prior to the issuance of the first permit for construction (demolition, grading, or building). The Department also informed the applicant of the City's Transportation Demand Management and Trip Reduction Ordinance requirements related to carpool and vanpool parking, bicycle parking, and a Transportation Demand Management Program plan.

Environmental Review:

Pursuant to the requirements of the California Environmental Quality Act (CEQA), an environmental review of the project will occur in order to analyze the project's potential to result in significant impacts, as identified by State and local environmental guidelines. At this time it is not known what level of review will be required; that will be decided after the Conditional Use Permit application is submitted.

NEXT STEPS:

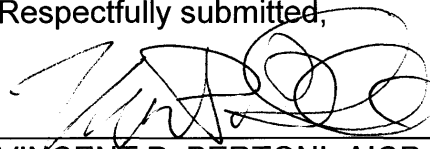
Public hearings before the Hearing Officer and Design Commission are necessary in order to carry out the proposed project. In addition, an environmental review of the project will occur consistent with the requirements of CEQA. The next steps in the review process are:

- Preliminary Consultation before the Design Commission;
- Environmental Review;
- Hearing Officer Public Hearing (or Planning Commission and City Council Public Hearings if Adjustment Permit is requested) to consider adoption of the environmental review and approval of the Minor Conditional Use Permit and related entitlement applications; and
- Design Commission reviews (Concept and Final).

FISCAL IMPACT:

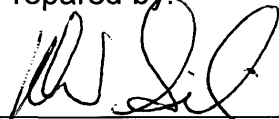
This report is for information only and will not result in any fiscal impact.

Respectfully submitted,



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Attachment:

Attachment A – Predevelopment Plan Review Plans