

# Agenda Report

March 28, 2011

**TO:** Honorable Mayor and City Council

**FROM:** Planning Department

**SUBJECT:** AMBASSADOR WEST – CHANGES TO APPROVED PROJECT TO RESET ENTITLEMENT TIME LIMITS (APPLICANT: SUNRISE SENIOR LIVING)

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the activity described in the application for changes to the approved Ambassador West Project was subject to adequate environmental review in the EIR adopted by the City Council for the Ambassador West Project on April 2, 2007, and that there are no changed circumstances or new information which would trigger further environmental review;
2. Make the specific findings listed in Attachment A of this report; and
3. Approve the application for major change to an approved project (time limits) with the conditions in Attachment B.

**PLANNING COMMISSION RECOMMENDATION:**

On Wednesday, February 9, 2011, the Planning Commission recommended that the City Council approve staff's recommendation.

**EXECUTIVE SUMMARY:**

Development at the Ambassador West campus has not occurred on the anticipated project timeline. The financial challenges of the original parties and changes in ownership stalled the project for several years. The owners are now requesting additional time to complete the project but the entitlements have received all available administrative extensions. The Zoning Code allows for requests to modify expiration dates and permits changes to an approved project. Therefore, owners have requested an alternative timeline as a change to an approved project. Staff concludes that the required findings for a major change to the project can be made.

**BACKGROUND:**

The Ambassador West Project was approved by the City Council on April 2, 2007. The main project proposal was to redevelop a 19.7 acre portion of the former Ambassador College campus in the block bounded by W. Green St., S. St. John Ave., W. Del Mar Blvd. and S. Orange Grove Blvd. The proposal includes: 1) construction of 200 independent living units for seniors and 48 assisted living units in a six-story 450,000 square foot building; 2) construction of 70 residential condominiums in two- and three-story buildings; 3) intensification of existing apartment buildings and dorms to provide 46 apartment units; 4) conversion of historic buildings to educational, institutional, and office uses; and 5) preservation of historic buildings, significant landscape features and open space.

The Ambassador West Project required the approval of the following entitlements:

- a Conditional Use Permit (CUP) to operate the senior life/care facility,
- a Transfer of Development Rights (TDR) to transfer WGSP development allocation from areas that should be preserved to the northeast portion of the block where the WGSP encourages the highest density,
- an Adjustment Permit to preserve valuable protected trees, landscape features and historic buildings on the site by providing flexibility in design requirements in order to cluster the development on smaller portions of the site for the 70 new condominium units that are allowed by the WGSP,
- an Adjustment Permit for the senior life/care facility to exceed the building height in two locations and to construct a bridge over a side property line<sup>1</sup>,
- Private Tree Removal Requests for removal or relocation of 46 protected trees,
- a Vesting Tentative Tract Map to consolidate the existing land lots into 19 land lots and create 270 air parcel condominiums, and
- a Subdivision Modification to allow for lots without street frontage.

Sunrise Senior Living is the property owner of the senior life/care facility site (see Attachment E, parcels 1 and 2). Through foreclosure proceedings, a number of parcels were acquired by Fortress Investment Group from Ambassador Acquisition Coalition Partners.

On December 31, 2009, City Ventures purchased twelve of the nineteen lots identified in Vesting Tentative Map 063103 associated with the approvals from Fortress. These lots include four development lots for the 70 for-sale condominiums, two lots containing 27 historic apartment units, two lots containing historic gardens, one lot containing an historic mansion, and two lots containing open space that will be dedicated to City as a Public Park Easement.

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<sup>1</sup> Note that this application only affects the entitlements held by Sunrise Senior Living; the portion of the project/entitlements held by City Ventures is a separate application.

The original entitlements were bundled for joint consideration, but the two primary parties have chosen to apply separately for these extensions. There are two separate applications and two separate actions required by City Council.

The project's entitlements were granted a one year extension, pursuant to §17.64.040 of the Municipal Code in 2009. Then pursuant to Ordinance No. 7180, the entitlements were granted an additional one year extension in 2010. Currently these entitlements will expire on April 2, 2011. The Zoning Administrator Interpretation (see Attachment G) allows for phased projects to remain exercised and therefore valid provided that not more than one year has elapsed since a Certificate of Occupancy has been issued for an earlier phase.

In order to affect the development of these lots, the approvals and subsequent extensions require that building permits be issued and construction be diligently pursued prior to April 2, 2011. In order to obtain building permits, Sunrise would have to complete the design review process through the Design Commission, submit construction drawings based on the Design Commission approvals, and pull the building permits. In order to issue building permits, the City requires that the subdivision map associated with the approvals be approved and recorded. Before the final subdivision map can be recorded, various assurances must be provided (including tax clearance from the county assessor and title insurance) some of which are complicated by the bankruptcy of one of the original owners.

Sunrise is requesting an extension to provide for the additional time to process design review and building permit applications and commence construction of the project.

Although the Zoning Code currently allows for changes to a project timeline using the method detailed below, staff intends to return to Planning Commission and City Council with recommendations on a more straightforward process to extend entitlement time limits.

#### **ANALYSIS:**

##### ***Major Change to Approved Ambassador West Project – Time Limits***

Section 17.64.040 of the Zoning Code permits an applicant to request, and the decision authority to grant, an alternative expiration date at the time of approval<sup>2</sup>. Section 17.64.050 of the Zoning Code allows an applicant to request changes to an approved project, including changes to the conditions of approval. Therefore, it follows when these two provisions are taken together that applicant can request an alternative expiration

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<sup>2</sup> **Unless conditions of approval or other provisions of this Zoning Code establish a different time limit**, any permit or approval granted in compliance with Chapter 17.61 (Permit Approval or Disapproval) that is not exercised within 24 months from its effective date shall expire and become void, except where an extension of time is approved in compliance with Subsection B. below. [PMC 17.64.040.A]

date, as a change to an approved project (a change or new condition of approval) after the initial approval but prior to expiration, if the findings can be made per §17.64.050.C. Major changes to an approved project must be approved by the original decision maker— in this case, City Council.

***Status of Project Implementation***

The applicant has already received all the allowable extensions. The Ambassador West project is a large, complex and interdependent development scenario. Ownership on various parcels has changed multiple times and the larger project, as originally approved, appears to be at risk - further compounded by the current financial climate. As mentioned above, one of the original owners is currently in bankruptcy which affects the ability of the tract map to be finalized.

***Findings***

Before approval of the changes, the applicable review authority must make the findings required for the original approval, and the additional finding that there are changed circumstances sufficient to justify the modification of the original approval. The findings can be made and are discussed in more detail in Attachment A.

The size and scope of this project, the complicated site development agreement, and the interdependency of the historic resources (including landscape and site features) and new development combine to make this situation unique. Moreover, approval of the extension is the most likely way to ensure the significant input received throughout the lengthy public process will remain intact and the overall development of the Ambassador site conforms to that which was approved by the Planning Commission and City Council. If the underlying entitlements of the Sunrise Senior Living parcels expire, the larger project may be jeopardized.

***Conditions of Approval***

The applicant is subject to all the original conditions of approval dated April 12, 2007 (Attachment F) as well as the additional conditions discussed further in Attachment B. The applicant requested a two year extension; staff recommends a one year extension with an allowance for the Planning Director to grant an additional year.

In addition, the applicant requested that the deadline in Condition 18 (which requires construction on the senior life/care facility to be complete by April 2, 2013 – see p. 2 of Attachment F) be extended until 2019. Staff is taking a more conservative approach and recommending revised language that specifies building permits must be issued by 2013, and Planning Commission concurred.

**ENVIRONMENTAL ANALYSIS:**

A Final Environmental Impact Report was prepared for the Ambassador West Project. It concluded that all potential impacts could be mitigated to a less than significant level, with the exception of impacts to Aesthetics (impacts on the streetscape along Green Street and St. John Avenue), Air Quality (during portions of the construction period emissions would exceed AQMD thresholds), and Historic Resources (effects on the setting of the historic Ambassador Auditorium and Manor Del Mar, effects of attaching a new building to the historic Merritt Mansion, and effects of new construction in a National Register-eligible historic district called the West Del Mar Grouping).

The proposed change to extend the development timeline would not increase any of the impacts identified as significant, would not create new significant impacts, and is within the scope of the Ambassador West Project analyzed by the Environmental Impact Report. Further, circumstances in the area of the Project have not changed such that there would be any substantial increase in potentially significant effects or any new significant effects would be necessary.

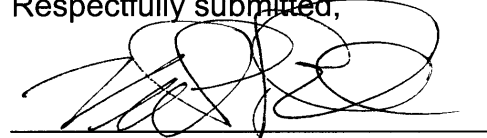
**COUNCIL POLICY CONSIDERATION:**

The General Plan – Objective 6: Promote preservation of historically and architecturally significant buildings and revitalization of traditional neighborhoods and commercial areas. The General Plan – Guiding Principle 2: Change will be harmonized to preserve Pasadena’s historic character and environment. This project includes the preservation of many historic properties and landscapes.

**FISCAL IMPACT:**

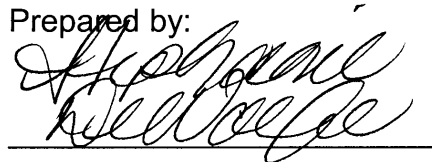
If the entitlements on the Ambassador West project lapse and the project must begin the development process again, it is unclear how the current financial climate would affect financing and thus development fees and ultimately property tax revenue.

Respectfully submitted,



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**ATTACHMENTS**

- A: Findings
- B: Conditions of Approval
- C: Request from Sunrise Senior Living
- D: September 27, 2010 Memorandum
- E: Ambassador West Project Plan & Existing Site Plan
- F: Ambassador West Project Approval Letter (including Conditions of Approval)
- G: Zoning Administrator Interpretation 17.64.040.A: *Time Limits and Extensions and 17.64.080.A: Discontinuance*
- H: Letter of Support from Maranatha High School
- I: Correspondence from Applicant – January 19, 2011