

**MINUTES OF PLANNING COMMISSION MEETING
OF THE CITY OF LOS ALAMITOS**

REGULAR MEETING – May 25, 2016

1. CALL TO ORDER

The Planning Commission met in Regular Session at 7:02 PM, Wednesday, May 25, 2016, in the Council Chambers, 3191 Katella Avenue; Chair Cuiilty presiding.

2. ROLL CALL

Present: Commissioners: Chair Mary Anne Cuiilty
Vice Chair Larry Andrade
Commissioner Art DeBolt
Commissioner Wendy Grose
Commissioner Gary Loe
Commissioner Victor Sofelkanik

Absent: Commissioner John Riley

Staff: Development Services Director Steven Mendoza
Associate Planner Tom Oliver
Assistant City Attorney Lisa Kranitz
Department Secretary Dawn Sallade

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Cuiilty.

4. ORAL COMMUNICATION

Chair Cuiilty opened the meeting for Oral Communication for items not on the agenda. There being no speakers, Chair Cuiilty closed Oral Communication.

5. APPROVAL OF MINUTES

None.

6. CONSENT CALENDAR

A. Boards, Commissions, and Committees Policy Handbook

At its April 18, 2016 meeting, the City Council unanimously adopted Resolution 2016-11, adopting the City's Policy Handbook for Boards, Commissions, and Committees. The information is being provided to the Commissions.

City Clerk Windmera Quintanar gave a short overview of the Policy Handbook and indicated her office would be available if the Commissioners have any questions.

7. PUBLIC HEARINGS

A. Site Plan Review (SPR) 16-02 Conditional Use Permit (CUP) 16-04 Conditional Use Permit (CUP) 16-05 Marriott Fairfield Inn Hotel

Consideration of a Marriott Fairfield Inn & Suites Hotel at 10650 Los Alamitos Boulevard (APN 242-243-03) on a 2.3 acre vacant parcel in the General Commercial (C-G) Zoning District. (Applicant: Shamir Narsai – Triple Sons Investments, LLC.)

Associate Planner Tom Oliver summarized the Staff report, referring to the information contained therein, and indicated he's prepared to answer questions from the Planning Commission.

Chair Cuiilty called on the Applicant.

Shamir Narsai, Applicant, Triple Sons Investments - Commended Staff on their hard work to bring the proposal forward to the Commission. He went over the proposed project and went over what and who Marriott is and indicated this project will be a Fairfield Inn & Suites. One of the target consumers that Fairfield Inn & Suites is attracting are the "millennial's" (people born between 1980-2000). He spoke about not only the Marriott chain of hotels studying the consumer market but all hotel chains are doing so as well and they are all targeting the "millennial's" who like smart technology; they want access to Wi-Fi, vibrant open social spaces where they can communicate and conduct business and they want it at a certain price. He said they believe in Fairfield Inn & Suites; a design and contemporary model that have proven successful.

Commissioner Sofelkanik asked if they have a franchise agreement with Marriott currently.

Mr. Narsai indicated they have been in constant communication with Marriott and have not signed a commitment yet but they are engaged actively. He said typically how franchise agreements work is once they get the approval on a project, they pursue the agreement at that point.

Commissioner Sofelkanik pointed out that the City will have no idea what the terms and conditions of that franchise agreement are at this time since Mr. Narsai doesn't know and he feels it's important to know what those terms are.

Chair Cuiilty opened the Public Hearing for comment.

Stan Blackwell, resident, said he liked the presentation but is concerned due to the last hotel project being proposed and they, too, did not have a franchise agreement with Marriott and it seemed to be a bit vague as to

whether they are going to be promoting this industry. If the Applicant doesn't have anything firm that he can come to the table with and have substantiation from Marriott's involvement with him may be ill advised

J.M. Ivler, resident, thanked the City Staff for doing a great job but he has a concern; they have one parking space per room (108 rooms). He said there is a fairly major issue in the City with parking particularly in that area and wonders about employee parking.

John Eclevia, LAUSD, Director for Facilities Maintenance Operations and Transportation, said he wanted to bring to light that Briggeman Drive already is a narrow street and there is already truck traffic on that street in the form of Ganahl Lumber, the post office, and the Grading Pacific Company in all hours of the day and night. This could also potentially be a noise issue as well for the developer and the clients. He also indicated that school children from the high school walk to and from school along that stretch of pedestrian sidewalk. The last project that was proposed for this property included store fronts along Los Alamitos Blvd. so what he would like to request is if this project includes any type of store front or facilities in the interior of the building, those businesses don't have any alcohol or tobacco outlets.

Megan Macias, Consultant to the Applicant and is with Transpo Group, indicated they prepared the traffic analysis on the project. Mr. Oliver asked her to note that they do have one requested change in the Conditions of Approval; it's on Condition 73 and the condition notes that trip generation of the project was based on a previously proposed hotel that was 111 rooms rather than the currently proposed 108 rooms. The trip generation should be changed to note that it's 882 daily trips, 58 AM peak hour trips and 65 PM peak hour trips. She said she believes that that condition is the calculation of the traffic impact fee so she wants to make sure that the latest information is used.

Commissioner Sofelkanik asked if there had been a study done to determine if a traffic control light be added on Serpentine and Los Alamitos Blvd. to address the additional 882 trips.

Ms. Macias said no as they evaluated the intersection but it was found that it operates acceptably and within the City Standards without the traffic signal so it doesn't require it in terms of the operation of the intersection.

Commissioner Sofelkanik asked if her study broke down the 882 trips as to how many would proceed, exit Serpentine and go north as opposed to how many would exit Serpentine and go south which require them to cross the northbound lanes.

Ms. Macias said they did; it would have been taken into account in the project trip distribution and gave the analysis.

Commissioner Sofelkanik said his concern is with the people as they exit Serpentine and wanting to proceed southbound on Los Alamitos Blvd. would have to, without the strength of a signal, cross over the northbound lanes.

Ms. Macias explained that they had in their trip distribution that 65% of the traffic from the site making a left turn and going southbound and then the remaining 35% going northbound. So this is accounted for in the analysis of the left turn out of Serpentine. Some of those trips, of course, are assumed to go out of Briggeman as well so they don't all turn left out of Serpentine but that does account for the left turns out of the project.

Commissioner Sofelkanik clarified that the cars going out of Briggeman going southbound would eventually cross over the traffic coming out of Serpentine going southbound. So 65% of the traffic coming out of this project would have to cross over the northbound lanes without the benefit of a signal.

Ms. Macias indicated that that was correct. She said that the analysis that they did on the traffic study accounted for a larger project than the current one before the Commission tonight because the original traffic analysis included not only the 111 rooms but a drive-thru coffee shop as well and that's been removed from the project description. She said she can't tell the Commission what the result is because they took a look at it and saw that they're generating quite a bit fewer trips and they didn't have any impacts based on the City's threshold in the original study so, therefore, they won't have any impacts with the project description now. In the worst case it would be level of service "D" on Serpentine.

Commissioner DeBolt inquired as to what time of day she estimated to be the peak as far as leaving the site?

Ms. Macias indicated they analyzed the peak commute hours because that's the highest traffic on the adjacent streets. In terms of the hotel, she said she doesn't know if it's the same and corresponds with the peak commute hours.

Commissioner DeBolt asked if there was going to be access to the site from Los Alamitos Blvd.

Mr. Mendoza explained that there is no proposed driveway on Los Alamitos Blvd.

Commissioner DeBolt said the City is proposing to put raised medians along the Blvd. and asked if there is going to be a cut there for Serpentine.

Mr. Mendoza explained that Staff is having their first Open House June 6th on this item and will help Staff determine where the center medians actually are.

Commissioner DeBolt asked if drivers are unable to turn left off of Serpentine onto Los Alamitos Blvd., how would that affect the project.

Ms. Macias said that if that were the case, then obviously traffic would turn right and possibly make a U-turn perhaps at Cerritos or go to Briggeman.

In response to a question Commissioner Grose had, Mr. Mendoza explained that the development requires the developer to widen Briggeman by ten feet and install curbs, gutters and sidewalks. Any current condition will be remedied by the widened Briggeman. When you get up to almost Reagan Street, you have that industrial condominium park which they have on deposit with the City since they built that for the City to widen that when this project came on line. So all the way up to Reagan will be widened subject to this project being approved. So this will remedy Briggeman from Reagan to Los Alamitos Blvd. to meet the goals of the General Plan and also lines up the intersection at Los Alamitos Blvd. to where Briggeman turns into Sausalito. That's one of the requirements of the developer; the taxpayers are not on the bill for that. Also, there is no CUP for alcohol requested and Mr. Eclevia also was concerned about retail store fronts. There are no retail store fronts on this except for a snack shop inside the hotel. As far as traffic is concerned, Mr. Mendoza said that Los Alamitos Blvd. frontages he alluded to isn't changing; there are no driveway cutouts now and there will be none in the future.

Mr. Eclevia said there was one last issue with regards to the truck traffic coming through there with the hotel clients expecting to get rest at late hours and is concerned that when school buses are returning from a late field trip, perhaps a complaint will filter down from the client to the hotel owner to the school district.

Mr. Mendoza said that these problems can be mitigated by the hotel manager and Staff is confident they'll be able to manage their noise issues.

Commissioner Grose asked about the parking issues for employees as she thinks it's a valid issue.

Mr. Narsai explained that typical operating hours and check in and check out times of hotels come into play. It's atypical so it would be unlikely that the lot would be full in the peak hours. Basically a typical hotel check in time is after 3:00 PM and employees typically come for work at 7:30 AM or so. Guests usually check out well before 8:00 to 11:00 AM range. There's a good flow that leaves and a flow of employees that comes in.

Commissioner Grose pointed out that a problem that she sees is how the hotel will monitor students to keep them from parking in the lot. Also, just south of there, there's a shopping center that doesn't have parking as well and they will potentially use the hotel's lot, too. Although it's not the City's

problem, it is something the hotel will need to give some thought as to how they'll manage that.

Mr. Narsai said he appreciated that input.

Commissioner Grose said she can understand why somebody wouldn't finalize an agreement because you don't have the project guaranteed to be built and asked if this is common practice.

Ms. Kranitz answered that she thinks this is a common practice. The hotel franchise doesn't want to get into it if they don't have the entitlements. The City does have conditions of approval (Condition 7) that require that if it's not a Marriott, it's at least a 3-star triple rated hotel so it can't be a bait and switch that we're promised a Fairfield and we get a Motel 6 instead.

Commissioner DeBolt indicated in the Staff report, it states Staff made several requests of the Applicant for modifying the architectural style to more comport with the style that is in the area, i.e. early California type architecture and the report says this was to no avail.

Mr. Narsai explained that after lengthy conversations with leading experts, studying the contemporary movement, where the hospitality industry is moving, what the transient guests are requesting of hotels today and into the future, these experts have advised that this contemporary model serves the best purpose for the business model that they have done in their feasibility study. The major concern of making adjustments to the contemporary model is undermining the purpose of that look and that contemporary feel that is known and marketed by Marriott so heavily in the Fairfield Inn & Suites brand.

Chair Cuiilty added that she was in one of those meetings with Mr. Mendoza and the Applicant and Staff wasn't asking for it to be early California style; they were asking for more architectural details to make it a little bit more interesting.

Commissioner DeBolt said he appreciated the video that the Applicant played during his presentation which described adequately the wants and needs of the millennial generation that is being marketed to, but he said that seems to be all in the interior of the building but what about the exterior? He said his concern lies in the architecture; the post modern style and fitting into the overall genre of the City. If this necessitates a radical change, then that necessitates that change.

Mr. Narsai indicated that that is a very valid point. There's been four generations of Fairfield Inns & Suites and this is the fourth generation. The hotel industry is very competitive and they seek to compete with each other by studying the market segments and this is one of the big things that every

hotel brand is hitting. Because they're going for a business class hotel here, this contemporary design is ideal for this Los Alamitos community.

Commissioner DeBolt asked how? He spoke about his experiences with traveling and choosing a hotel to stay in and the amenities he needs and wants but he does that once he gets inside. He said sitting here and living in this City and driving by that property every day, he said he wants to see something that fits the neighborhood and for him that style does not fit. He said he's okay with everything but he would condition any issuance of permits upon receipt of a signed agreement from Marriott. But for him, the problem is the overall architecture; he doesn't think it fits the City.

Mr. Narsai thanked Commissioner DeBolt for his input and appreciates his concern and understands that everyone has their own view of what is architecturally pleasant.

Vice Chair Andrade said he's a little torn as well because of that character and charm that you lose by going to something like this in our City which we're used to seeing. But then the market that they are catering to is not us; it is to the millennial's and it's to the people that go on line and look at exterior photographs on line before making reservations and this is the type of architecture that appeals to the younger generation. Also, he said if you really look at the drawing, it doesn't look much different than our hospital building that was done just recently. Also, all franchises have the same look no matter where they go in the United States; they all try to make them look the same so that when you go to that location, there's a certain comfort that you feel because you're used to seeing that style.

Commissioner DeBolt said he understands fully what they're saying; they vet their market or their customers that are going to stay in their hotel but we are the people that have to live with what we see when driving by. While that style might fit somewhere else, it is out of place in Los Alamitos and he feels that this is a radical departure.

Chair Cuiilty said it is a radical departure but it's clean and neat and she pointed out that the buildings on either side of the property are not award winning buildings.

Commissioner DeBolt said those buildings are older and they're in that style. Looking at this location, he said he doesn't care for the architecture and feels that something more needs to be done but it's the question of spending more money to do it.

Commissioner Grose pointed out that if the design of the building isn't changed, perhaps the kind of trees that can be used to accent the building or lighting can be. She said she really doesn't have an issue with the design of

the building; she understands where he's going with it and recognizes that she's not the millennial that he's trying to attract.

Vice Chair Andrade said that what we also hope for at the end of the day is that he does fill the hotel with customers because if we do get the pedestrian area with eateries and different things to walk to, you want those businesses to be supported by something like this and you want people to be attracted to it and spend their money.

Commissioner DeBolt said he understands but pointed out that this is the second person coming in with the idea of a hotel for this property and if it doesn't fit for him with this style, then it can fit for someone else who is willing to come in and bring something that would be acceptable.

Commissioner Sofelkanik indicated that contrary to what the Staff report says, he does not see this property as a blighted property; it's been undeveloped for 30 years but that was because it was contaminated. He sees this property as an opportunity for the City to put something viable in and something that will take the City in a direction that has been talked about for the last few months; this project isn't something that will do that in his opinion. He said the franchise agreement issue is very unsettling with him but that's something that everybody seems to be comfortable with. He further went on to say that there's a big assumption being made that this hotel is going to be a destination for a lot of people; he said he doesn't see any evidence of that. He said this is a very valuable piece of property and thinks we can put something better there than this project. The Staff report further talks about the investment and economic engine but again, he doesn't know if there have been any studies; they've never seen anything that is telling them that this hotel is going to bring in "x" amount of revenues; this is all assumptions and presumptions. He spoke about traffic issues that haven't been fully vetted. He said this is not the project that he thinks that this City needs on that very, very valuable piece of property which is right in the heart of the City. He said he feels the City could do better. He said he's very much against this project as it stands and if they want to come back with some changes, then he would possibly revisit his position.

Chair Cuiilty said she actually likes a hotel project for that piece of property and feels that it would really help increase the business in that area. The people that stay at the hotel wouldn't have to drive over to eat at the Brew Kitchen, for example, and cause parking problems; they could just walk over. She agrees that the architecture could be improved but the overall project is good and she said she likes it. She then asked the Applicant if they had done any occupancy studies for the other hotels in the area and asked if they know what the occupancy rates are.

Mr. Narsai indicated that during the feasibility studies, they calculate several aspects to the viability to a hotel, what type of hotel, the type of clientele that

it will generate; they had extensive meetings with representatives from Marriott and they also helped them with that study as well so as far as transient tax dollars that this property will generate, they are estimating somewhere around \$250,000 per year. It's basically a partnership between the City, the franchisee and the franchisor. In the past, Marriott doesn't give any franchise agreements that are less than 20 years so it will be a 20 year agreement.

Commissioner Sofelkanik inquired if the Commission would condition this project on a franchise agreement coming forward from Marriott with a term of 20 years or more, and could that be arranged?

Mr. Narsai indicated it could.

Commissioner Sofelkanik then asked if the studies that Mr. Narsai spoke about are available for review if the Commission requests it.

Mr. Narsai said they were.

Motion: Grose

Motion for the adoption of Resolution No. 16-11 entitled, "A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING A SITE PLAN REVIEW (SPR) 16-02 TO ALLOW CONSTRUCTION OF A FOUR-STORY 61,643 SQUARE FOOT HOTEL AT 10650 LOS ALAMITOS BOULEVARD, IN THE GENERAL COMMERCIAL (C-G) ZONING DISTRICT, APN 242-243-03, AND DIRECTING A NOTICE OF EXEMPTION BE FILED FOR A CATEGORICAL EXEMPTION FROM CEQA (APPLICANT: SHAMIR NARSAI – TRIPLE SONS INVESTMENTS, LLC)."

AND

Resolution No. 16-12, entitled, "A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING CONDITIONAL USE PERMITS (CUP) 16-04 & 16-05 TO ALLOW CONSTRUCTION OF A FOUR-STORY 61,643 SQUARE FOOT HOTEL WITH INCREASED BUILDING HEIGHT AT 10650 LOS ALAMITOS BOULEVARD, IN THE GENERAL COMMERCIAL (C-G) ZONING DISTRICT, APN 242-243-03, AND DIRECTING A NOTICE OF EXEMPTION BE FILED FOR A CATEGORICAL EXEMPTION FROM CEQA (APPLICANT: SHAMIR NARSAI – TRIPLE SONS INVESTMENTS, LLC)."

With changes to Condition of Approval No. 73 as shown below:

73. The fees, dedications, reservations...Transpo Group: The proposed project is anticipated to generate **882** net new daily trips with **58**

occurring during the AM peak hour and **65** occurring during the PM peak hour...

And

The addition of a condition which covers the franchise agreement to be 20 years or more with Marriott prior to issuance of building permits.

There was no second to that Motion; the Motion failed.

Motion/Second: DeBolt/Sofelkanik

Failed 2/4/0 (Ayes: DeBolt and Sofelkanik. Nays: Culty, Grose, Andrade and Loe. Riley absent): The Motion was to deny the project.

A long discussion ensued covering the same information as previously spoken about.

Motion/Second: DeBolt/Andrade

Failed 3/3/0 (Ayes: DeBolt, Andrade and Culty. Nays: Grose, Loe and Sofelkanik. Riley absent): Motion to continue the Public Hearing providing the Applicant time to obtain an audio copy of this meeting so that he can get a feel of what the Commission is striving for and to see if he can't come back with something that may be a little bit more acceptable.

Motion/Second: Grose/Loe

Motion for the adoption of Resolution No. 16-11 entitled, "A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING A SITE PLAN REVIEW (SPR) 16-02 TO ALLOW CONSTRUCTION OF A FOUR-STORY 61,643 SQUARE FOOT HOTEL AT 10650 LOS ALAMITOS BOULEVARD, IN THE GENERAL COMMERCIAL (C-G) ZONING DISTRICT, APN 242-243-03, AND DIRECTING A NOTICE OF EXEMPTION BE FILED FOR A CATEGORICAL EXEMPTION FROM CEQA (APPLICANT: SHAMIR NARSAI – TRIPLE SONS INVESTMENTS, LLC)."

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And

The addition of a condition which covers the franchise agreement to be 20 years or more with Marriott prior to issuance of building permits.

Before the vote took place, Vice Chair Andrade indicated he thought the choice of the color pallet gives the hotel a colder feeling and not maybe a warmer feeling and this just based on the colors used and the stone that is being used but perhaps this could also be something the Applicant can take a look at as well.

Chair Cuiilty pointed out there appears to be no path for guests as they have to walk through the driveway to get across the street to Shenandoah Restaurant or Brew Kitchen; it seems there should be some sort of path. Even coming out of the port cochere it doesn't look like on the landscape drawing that there's a path. She said she agrees that the big square of landscaping in the middle is nice but she said she would like to see a little bit more on the Boulevard.

Chair Cuiilty called for a vote.

The Motion failed 3/3/0 (Ayes: Cuiilty, Grose and Loe. Nays: Andrade, DeBolt and Sofelkanik. Riley absent):

Assistant City Attorney Lisa Kranitz suggested continuing this item until the seventh Commissioner can be present. She indicated that the Commissioner can watch the video of tonight's meeting to catch up.

Motion/Second: Loe/DeBolt

Carried 4/2/0 (Nays: Grose and Sofelkanik; Riley absent): The Planning Commission continued this item until the Commission meeting in June so that the seventh Commissioner is in attendance.

A break was called at 8:52 PM and reconvened at 9:09 PM with all Commissioners present.

B. General Plan Amendment (GPA) 16-01 and Zoning Map Amendment (ZOA) 16-01 – 4411 Katella Avenue.

Consideration of a General Plan Amendment and Zoning Map Amendment to the 28-acre site commonly known as Arrowhead Property. More specifically,

this property is identified as Orange County Assessor Parcel Nos. 241-241-08, 241-241-09, 241-241-10 and 241-241-11 (4411 Katella). The change would be from the current General Plan Designation (Planned Industrial with Retail Overlay) to Retail Business and amend the Zoning Map (Planned Light Industrial with Retail Overlay) to General Commercial (C-G).

Development Services Director Steven Mendoza summarized the Staff report, referring to the information contained therein, and indicated he is prepared to answer questions from the Commission. Mr. Mendoza indicated a letter that Staff received from a law firm representing JCB/Arrowhead has been distributed to the Commission and copies for the public are available at the counter.

Chair Cuijly opened the Public Hearing.

Susan Hori, Manatt, Phelps & Phillips, LLP, representing Arrowhead Products and the landowner, JCB, Inc., indicated the letter that Mr. Mendoza just spoke about gives the reasons why they oppose the proposed amendment to change the land use and the zoning from Industrial to Retail on the site. She started off by saying that Arrowhead intends to continue its operations on the property and would like to remain in the City but to be honest, it is increasingly harder and harder to do so. Just last year the City adopted the General Plan which said it would support Arrowhead's continued operation and success. The General Plan also spoke to maintaining the integrity of industrial areas and preserving the economic viability of existing industrial businesses. When the General Plan update was first proposed, it considered zoning this land Retail and also designating it for Retail uses. She said they understand that the City wanted to eventually bring more retail to the City and that this was an opportunity site; however, that would have significantly impacted Arrowhead's ability to continue its operations, to expand and to modify its buildings. Because of that, she thinks they reached a really effective compromise which would allow the industrial uses to be retained on the site, the land use and zoning would be Industrial and a Retail Overlay would be imposed speaking to the City's desire to see retail uses if the property were ever redeveloped. This did give the landowner the option to consider how the site could best be used in the future. For the present, Arrowhead does intend to continue operating there and therefore has very significant concerns about the City's actions. Arrowhead is very concerned about the limitations that would be imposed on their ability to use their property if these amendments were enacted. If they were approved, Arrowhead becomes a non-conforming use which means they could not expand and they could not intensify its operations on the site. This would effectively limit the types of contracts that they could pursue for their business. Also, if approved, Arrowhead cannot expand its industrial operations and the landowner would be left with a small area behind the existing buildings that could only be built for retail uses. But based upon their conversations with real property brokers as to whether or not this is a viable

retail site, they've been informed that retail uses at the back part of the property is not all conducive to retail development because of the fact that there are two very large structures fronting Katella Ave. so it would be difficult if not impossible to put any sort of retail uses on the back side of the property. Lastly, even if they could develop retail or any other use on the back part of the property, right now the land is effected by a settlement agreement that the City entered into with the City of Cypress and Cottonwood Church which would limit any new driveways on Lexington from the Arrowhead site and therefore access off of Lexington would also be difficult to obtain.

She said they do understand the City's desire for more retail development but singling out one property owner that has a thriving business on its site and limiting the use of that property they don't feel is the right way to do that. They would request that the City retain the existing Industrial land use and zoning with the Retail Overland and they think that this is a more effective way of addressing the City's concerns then the proposed amendments that is before the Commission tonight.

JM Ivler, resident, indicated he's the biggest champion of turning that piece of property into General Commercial. He said he is not trying to get rid of Arrowhead; he's just looking at the future development of the City and that piece of property is a massive revenue opportunity. It was validated in the General Plan and this is a great opportunity as to whether or not Arrowhead stays or goes. When we look at this piece of property in relation to our City, this is an opportunity; there are two opportunity properties and the other one is next door to City Hall which was rezoned. The City was going to rezone the Arrowhead property but Ms. Hori came before the Commission and said she didn't want the property to be non-conforming because it would stop Arrowhead. Arrowhead had an opportunity to build a new building and they built it in Cypress although they could have extended their building onto that property and they chose not to. He said the concern is what Arrowhead just did to the City; the bait and switch. They said they want Arrowhead to have the capability of doing this but then they wanted to put a trucking terminal for a totally different company in the back half of the property. This is not what the community wants. If Arrowhead wants to expand on the property, it shouldn't be a problem but we don't want additional industrial development back there. What would be nice is if when Arrowhead decides to move the rest of their business to Cypress and they are no longer a tenant, that the owner of that property could get more per square foot selling that property as retail than they'll ever get as industrial. It would help our City, increase our tax base, and it would make the City have a viable commercial area. He finished by urging the Commission to do what they did for the next door property, i.e., rezone the property and let's create an opportunity for Los Alamitos' future.

There being no further speakers, Chair Cuijty closed the item for public comment and brought it back to the Commission for their comments and action.

Assistant City Attorney Lisa Kranitz said she wanted to address a legal point; under the non-conforming ordinance that the City Council just adopted, expansions of non-conforming uses are no longer allowed.

Vice Chair Andrade asked if the zone were to be changed, Ms. Hori said it would be a non-conforming use at that point but does it not just stay current to what they already have or does it instantly change over at that point?

Ms. Kranitz explained that it makes them a legal non-conforming use but does prevent expansion and it prevents them from getting financing in all likelihood on future things that they may want because banks don't like to loan on non-conforming uses.

Commissioner Grose asked long currently is the lease for Arrowhead.

Ms. Hori said she doesn't have that information but will find out.

Commissioner Grose asked when they opened the new building in Cypress.

Ms. Hori said she did know that as well. The other thing she wanted to say is Arrowhead has a number of different operations in terms of the various parts they manufacture and so a lot of their decisions as to whether or not they why they went over to the Cypress facility is not necessarily the decision as to why they would leave Los Alamitos or go to Cypress, it also has to do with operationally what types of parts they are manufacturing.

Commissioner DeBolt said in essence what the Commission is doing is turning the clock back to when they were discussing this a year or so ago as to what to do with the property. The original thought was to designate it a C-G property, basically a retail use, as they did with the property next door to City Hall, and all the way through, they had the attorney present at all the meetings and stressing the importance that the property be kept as it was because of a need to not allow it to become non-conforming. There is language in the Staff report that he doesn't like; it talks about as a compromise, the Planning Commission, kind of like did a deal. He said the Commission didn't reach a compromise; they discussed among themselves and considered the Retail Overlay and considered its effects that it would allow the underlying industrial use to remain. He felt that there is no one on the Commission that didn't understand that. Evidently the Council didn't understand that so now they're sending it back to the Commission. The Commission understood what was happening but there was one more condition in there that the Commission talked about and that was they needed to take a look at the uses in the Industrial zone in order to eliminate

those uses that they could find objectionable; the heavier dirtier uses such as warehouses, the distribution, the metal plating, etc. He then asked Ms. Hori if she recalled those discussions.

Ms. Hori indicated she doesn't recall that but she does know that the Planning Commission recently took on that exercise.

Commissioner DeBolt said that was a continuation of what should have happened earlier but didn't. If we're revisiting the whole issue, that was a major concern at the time and that was not only that we would like the retail use, but it also, by changing that use, it precludes the industrial uses going into the property. Then they finally decided on the Overlay that was presented by Staff but none the less, they adopted the Overlay and, as reflected in the minutes, that at some point the City needs to revisit the uses, need to look at the zoning and we need to eliminate uses before anything can go in there. He said he distinctly remembers saying, "Who knows, we could approve this and then tomorrow we could have a project in here that we didn't like; that would have one of these uses in there". That happened. We're now back to square one and have a request by Council and as far as he's concerned, the Commission is revisiting the issue. The Commission has a little more information and he has no problem in changing the zone into retail.

Commissioner Sofelkanik said it was appropriate to add to Mr. DeBolt's record the fact that the Planning Commission did go forward on a couple of meetings and reviewed the uses in the particular zones and after much discussion, chose ones that they felt were no longer appropriate. Those uses went to Council and they decided to Receive and File those and took no action.

Commissioner Grose said that no matter how they look at it, they are not going to have somebody happy no matter what they do with that property. She said it sends a negative message if they take and try to zone it where it makes it impossible for them to work. They have been a good neighbor. They have been in the City a long time and she feels they're not going anywhere. It would have been nice if they would have expanded to the back of their property but she can't say what they do or why they decided to move that part of the business to Cypress. The stuff they went through in the past to look at this was how to make this that if in the event that Arrowhead left, the City had a voice that we would like it to go retail. It was not about trying to rezone it and put it as a commercial or anything else; it was trying to keep it in the way they were so that if they needed to go get financial loans, etc., it wouldn't tie their hands up and make it impossible for them to do anything. It would allow them to continue to function as a business but if at any time Arrowhead decided to leave, it would allow the City to invoke the right to have retail there. She felt that was the valid point of what the Commission came up with on their compromise and she still stands by that. She said she

thinks that's a good way to move forward. She said she is not in favor of rezoning this to any kind of hardship on them; they have been a good neighbor and she would like to keep them as such.

Chair Culty agrees that that was absolutely the Commission's intention but from what she read that's not what happens with the Retail Overlay. If Arrowhead leaves, the property is not going to become retail; it's an option but another industrial person can go right in. At least what she thought was going to happen, is not how it ended up working out.

Commissioner Grose asked how we put that into place.

Ms. Kranitz indicated that the zoning goes to the use and the zoning is for industrial so it's a difficult task and without making it a nonconforming use. She said she can think of a way that the Commission could allow expansion on the Arrowhead site by doing an ordinance amendment to the nonconforming that was just adopted that said, "Notwithstanding...", whatever the section numbers were there. This property has a right; this use can expand. The property is larger than most properties; it's not like a Crossfit in a building expanding. This is somewhat of a unique circumstance and that's why it was identified as an opportunity site. She said she thinks we can develop findings that would justify getting around a spot zoning argument but you still have the problem that Arrowhead doesn't want to be considered a nonconforming use and she can't solve that and say that when Arrowhead goes out, then it has to go retail.

Commissioner Sofelkanik commented that he wants to correct what Ms. Kranitz just said in that Arrowhead doesn't want to be a nonconforming use. It's more important to say that the landowner doesn't want it to be a nonconforming use.

Ms. Kranitz said she heard that the business itself doesn't want to become nonconforming.

Commissioner Sofelkanik argued that it's probably the owner, also because the owner could sever their tenancy agreement with Arrowhead.

Ms. Kranitz said she's not sure exactly what the legal relationship is between the owner and Arrowhead but right now she thinks the Commission is focused on Arrowhead at the General Plan and zoning level because Arrowhead is the tax revenue to the City.

Responding to Commissioner DeBolt's question, Ms. Kranitz explained that to expand their existing use, it leaves them with the back half of the property basically undevelopable.

Commissioner DeBolt said if we can craft or the City Attorney could come up with an accommodation that allows for the expansion even though we have our ordinance, if we can legally do that so that we satisfy that concern that Commissioner Grose and Ms. Hori voiced, to him that seems to be the win-win in this because they can expand their use, and the zone can be changed to a retail zone and Arrowhead is safe. They have 28 acres there and they can expand to the extent that they need to expand. If Arrowhead ever decides to leave, they would still be able to sell it to another like firm who could step in even though they're non-conforming perhaps with a CUP. So basically Arrowhead can continue along the same lines and can expand which seems to be the hang up and this seems to be a good solution.

Ms. Kranitz said that's a legal solution but she doesn't know what practicality if that has problems for Arrowhead.

Commissioner DeBolt indicated that that is a solution that he feels the Commission would recommend because it seems to address the concerns that have been raised.

Ms. Hori said she isn't really sure what the solution that Commissioner DeBolt was articulating.

Ms. Kranitz explained that the solution that they were talking about is that on this piece of property with the zoning, Arrowhead would be allowed to expand the nonconforming use notwithstanding the provisions of the recently adopted nonconforming use ordinance.

Ms. Hori said that certainly addresses the concern that they had about expansion. She said she thinks the issue was to how a construction lender, for example, would look at that as being a nonconforming use. That is something that she would probably want to talk to Arrowhead about.

Ms. Kranitz commented that now unlike the previous ordinance, when you were looking at a nonconforming use at the General Plan stage, we no longer have an amortization provision in our ordinance so that issue has been removed.

Ms. Hori repeated that that is something she'll want to talk to both the landowner and Arrowhead about and she is representing both of them.

Motion/Second: Grose/Sofelkanik

Carried 5/1/0 (Nay: DeBolt and Riley absent): The Planning Commission continued this item until the next Commission meeting.

8. ITEMS FROM THE DEVELOPMENT SERVICES DIRECTOR

Mr. Mendoza announced that there would be an Open House at the Community Center on June 6th between 6:00-8:00 PM for the public to review the designs for

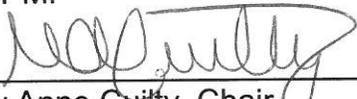
the new proposed raised center medians along Los Alamitos Blvd. between Katella Ave. and Cerritos Ave.

9. COMMISSIONER REPORTS

- Commissioner Grose said she attended the Open House for the new Trend printer. They did an outstanding job and it was amazing.

10. ADJOURNMENT

The Planning Commission adjourned at 9:53 PM.



Mary Anne Cuijly, Chair

ATTEST:



Steven Mendoza, Secretary