



CITY OF SIGNAL HILL

2175 Cherry Avenue • Signal Hill, California 90755-3799

May 11, 2021

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: COLLEEN T. DOAN
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: PUBLIC HEARING – GATEWAY CENTER NORTH SPECIFIC PLAN

Summary:

John Clement with VenturePoint, as the applicant for E.S. Field, LLC and Signal Fields North, LLC, is proposing to establish a new specific plan and develop a new commercial center, Gateway Center North. The project is a 13.63 acre site located on the south side of E. 33rd Street between Atlantic and California Avenues in the North End neighborhood. The project is intended to be built in phases and includes:

- Renovation of the existing Target store (interior and exterior);
- Construction of a new three-story, 177,345 square-foot self-storage facility;
- Construction of a new commercial space totaling 18,500 square feet (to be built as tenants are secured); and
- Construction of a new 5,000 square-foot drive-thru restaurant (to be built as a tenant is secured).

Recommendations:

1. Waive further reading and adopt Mitigated Negative Declaration (SCH 2021030665) and approve the associated Mitigation Monitoring and Reporting Program, by adopting Resolution No. 2021-xx-xxxx entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, ADOPTING A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM AND

MAKING ASSOCIATED CEQA FINDINGS, FOR THE GATEWAY CENTER
NORTH COMMERCIAL CENTER

2. Waive further reading and introduce Ordinance No. 2021-xx-xxxx, approving Zoning Ordinance Amendment 21-01, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP TO CHANGE AN APPROXIMATE 13.63-ACRE SITE AT 950 E. 33RD STREET AND 3177 CALIFORNIA AVENUE FROM "COMMERCIAL GENERAL" AND "FREEWAY SELF-STORAGE SPECIFIC PLAN" DESIGNATIONS TO "SP-12, GATEWAY CENTER NORTH SPECIFIC PLAN" AND REPEALING SIGNAL HILL MUNICIPAL CODE CHAPTER 20.32 ENTITLED "FREEWAY SELF-STORAGE SPECIFIC PLAN" IN ITS ENTIRETY AND REPLACING IT WITH A NEW SPECIFIC PLAN ENTITLED "SP-12, GATEWAY CENTER NORTH SPECIFIC PLAN" ESTABLISHING DEVELOPMENT STANDARDS FOR A COMMERCIAL CENTER

3. Approve Conditional Use Permit 21-01, to allow alcohol sales for off-site consumption at Target, by adopting Resolution No. 2021-xx-xxxx entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT 21-01, A REQUEST TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR OFF-SITE CONSUMPTION AT THE TARGET STORE AT 950 E. 33RD STREET IN THE COMMERCIAL GENERAL ZONING DISTRICT

4. Approve Conditional Use Permit 21-02, to allow a new self-storage facility, by adopting Resolution No. 2021-xx-xxxx entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT 21-02, A REQUEST TO OPERATE A SELF-STORAGE FACILITY AT 3177 CALIFORNIA AVENUE IN THE GATEWAY CENTER NORTH (SP-12) SPECIFIC PLAN ZONING DISTRICT

5. Waive further reading and introduce Ordinance No. 2021-xx-xxxx to approve a Development Agreement between the City of Signal Hill and Signal Fields North, LLC, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SIGNAL HILL AND SIGNAL FIELDS NORTH, LLC, FOR CERTAIN REAL PROPERTY LOCATED WITHIN THE CITY OF SIGNAL HILL PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ.

Fiscal Impact:

This project achieves the following economic development goals:

- Retains a top employer.
- Retains a top sales tax producer.
- Provides additional shopping and dining opportunities which will result in future sales tax revenue.

In addition, the self-storage project includes a Development Agreement that includes the following payments to the City:

- A one-time public benefit fee of \$250,000, to be paid in two installments.
- An ongoing public benefit fee of \$1.00 per leased space per month.

Strategic Plan Objectives:

Goal No. 3: Promote a strong local economic base.

Objective 3.1.3: Help retain existing businesses in the City.

Background:

In Signal Hill, specific plans have historically been used in response to properties with multiple site constraints. The specific plan mechanism allows for a customized approach to development standards taking into consideration constraints unique to each site.

The Gateway Center North (GCN) site is located on the southwest corner of E. 33rd Street and California Avenue and is bounded by the Interstate 405 Freeway (I-405) to the south and Atlantic Avenue to the west. The site is currently developed with a Target retail store and a Chick-Fil-A drive-thru restaurant which is in the City of Long Beach.

Project Vicinity Map



Development efforts over the last 20 years have been unsuccessful due to multiple site constraints, including:

- Site access
 - o Due to a very narrow frontage caused by the I-405 on/off freeway ramp there is no access from the closest major street, Atlantic Avenue.
- Site circulation
 - o Internal circulation is constrained due to existing easements.
- Site composition
 - o The site has several oddly-shaped parcels with fragmented ownership.
- Site jurisdiction
 - o The site falls under the jurisdiction of two distinct agencies – the City of Signal Hill and the City of Long Beach.
- Historical use
 - o The site included oil operations since at least 1924, including oil wells and above ground storage tanks. There are currently four active and five abandoned oil wells, limiting the location of new development.
 - o The site also included a service station, currently under remediation using a vapor extraction well impacting the configuration of the Chick-Fil-A drive-thru.

Planning Commission Review

The Community Development Department has established a robust and thorough review process for development projects. The process is laid out in a document entitled “*A Neighbor’s Guide to Development*.” The following checked items indicate the completed review items:

- ✓ Initial developer outreach with community groups, HOAs, and neighbors
- ✓ A City initiated neighborhood meeting to review the project and City process
- ✓ Planning Commission workshop prior to finalizing plans for public hearing
- ✓ Planning Commission public hearing
- City Council public hearing

On November 25, 2019, the applicant held their first outreach meeting at The Salvation Army, located on E. Spring Street which is close to the site. The meeting notice was mailed to property owners and residents within a 300’ radius of the site. There were approximately eight community members in attendance. The community members expressed interest in proposed tenants for the project and had questions about unrelated City issues.

On November 18, 2020, the City held a virtual neighborhood meeting to review the project and City process for public review. The meeting notice was mailed to property owners and residents within a 300’ radius of the site. There were two people in attendance, including one person from the City of Long Beach who spoke in favor of the project. The resident in attendance expressed a concern about the location of the new sign proposed to face E. 33rd Street at the northeast corner of the Target building. The concern was that

the visibility of the sign from the residential neighborhood might cause drivers to speed on E. 33rd Street.

On March 16, 2021, the Planning Commission conducted a Public Workshop. Comments from the public were received for the public workshop by email from a resident on California Avenue (Attachment A). Concerns raised included traffic flow on E. 33rd Street and queuing for Chick-Fil-A. The resident also asked questions about the self-storage and hours of operation. Staff also had an informal conversation with a property owner on Lime Avenue. The property owner was concerned about the queuing for Chick-Fil-A impacting E. 33rd Street.

On April 20, 2021, the Planning Commission conducted a Public Hearing (Attachment A). There was one comment during the public comment period from the same property owner who spoke at the workshop who praised the project overall, but suggested an alternative use to the drive-thru restaurant that was less car-centric, similar to the Steelcraft food court development in Long Beach. The applicant stated that the alternative use may not be suitable at this location but noted they would consider all options when submitting plans for future site plan design review for the drive-thru site. Following consideration and deliberation of comments received, the Planning Commission recommended City Council adoption and approval of the following:

- MND (SCH 2021030665) and associated Mitigation Monitoring and Reporting Program;
- ZOA 21-01 for the establishment of the Gateway Center North (SP-12) specific plan;
- CUP 21-01 to allow alcohol sales for off-site consumption at Target;
- CUP 21-02 to operate a self-storage facility at the GCN; and
- The Development Agreement between the City of Signal Hill and Signal Fields North, LLC.

The Planning Commission approved the following subject to City Council approval of the preceding items:

- Site Plan and Design Review (SPDR) 21-03 for an exterior remodel of an existing 135,811 square-foot Target store at 950 E. 33rd Street; and
- SPDR 21-04 for a new 177,345 square-foot self-storage facility at 3177 California Avenue.



Analysis:

Gateway Center North (SP-12) Zoning District

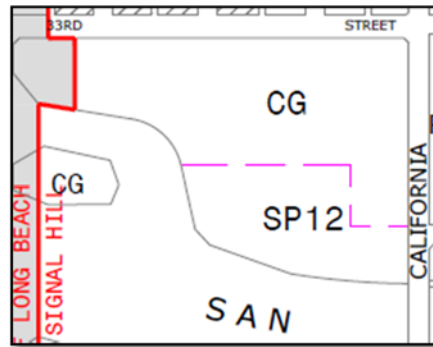
Project Intent

The purpose of establishing the Gateway Center North (GCN) specific plan is to facilitate development of a coordinated commercial center with a variety of commercial uses at the existing site which currently consists of a single big-box retail store (Target) and a drive-thru restaurant (Chick-Fil-A).

Zoning Ordinance Amendment (ZOA)

The entire project site was previously zoned Commercial General (CG); however, the southerly vacant portion of the site (APN 7148-005-030) was rezoned in 2003 as Freeway Self-Storage (SP-12) Specific Plan. Therefore the entire project site currently has two zoning designations as illustrated below:

Current Dual Zoning Designation



A ZOA is proposed for the project to eliminate the Commercial General (CG) zoning and re-designate the entire site as the Gateway Center North (SP-12) specific plan. The approval of the ZOA includes two actions:

1. Amendment of the Official Zoning Map to expand the SP-12 designation across the entire site and a revision of the commercial legend portion of the map to rename the SP-12 zoning from Freeway Self-Storage to Gateway Center North; and
2. Modification of the text of Chapter 20.32 of the Signal Hill Municipal Code (SHMC) to establish the following for the Gateway Center North (SP-12) specific plan:
 - Purpose;
 - Adoption of SP-12, Gateway Center North specific plan;
 - Determinations of conformity;
 - Use classifications;
 - Development standards;
 - Building height;
 - Required setbacks;
 - Off-street parking and circulation;
 - Landscape materials and turf;
 - Project signs standards;
 - Fences, walls, and hedges;
 - Trash and recycling storage area;
 - Permitted projections;
 - Mechanical equipment; and
 - Utilities, public facilities, and services.

Project Review Procedures

Development of the GCN site is anticipated to occur in up to four phases, as tenants are secured, as follows:

- Interior and exterior remodel of the existing Target store, including construction of a tower element, and new tenant signs;
- Construction of a new 177,345 square-foot storage facility;
- Construction of 18,500 square feet of new freestanding commercial pads; and
- Construction of a new 5,000 square-foot drive-thru restaurant.

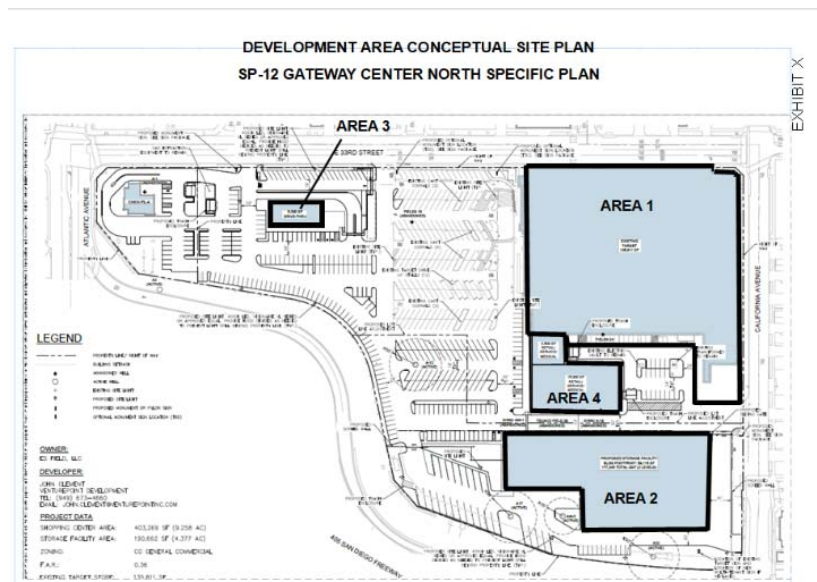
The new GCN (SP-12) specific plan will establish a unique review process for oversight of the phased development, to ensure conformity with the approved conceptual site plan and to ensure the quality of design and architectural diversity. Each phase of development will undergo a separate Site Plan and Design Review (SPDR) by the Planning Commission.

Phased Development Areas

Because the timing and sequence of the phased development is not known, the specific plan divides each of the four possible phases into separate development areas as follows (Attachment B).

Area 1	Target
Area 2	Self-Storage use
Area 3	Drive-Thru restaurant with outdoor dining
Area 4	Commercial building pad(s)

Development Area Conceptual Site Plan



SPDR Determinations

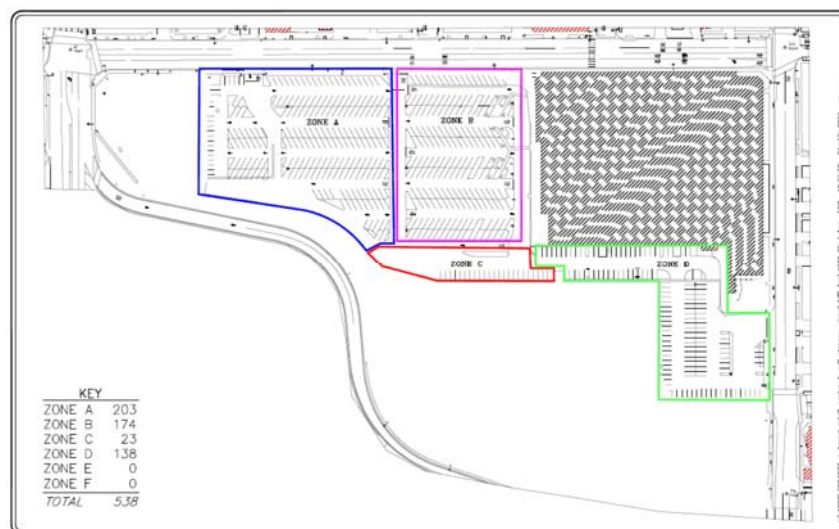
During SPDR for each phase of development, the Planning Commission will make a set of three determinations as follows:

1. The proposed use is a permitted use in the specific plan area;
2. The proposed development is in substantial conformity with the full build-out conceptual site plan, including the number, location, orientation, and size of commercial buildings, parking, circulation, and landscape areas; and
3. The proposed building design and materials are in substantial conformity to the approved design elements. The required design elements include:
 - Variation of building roofline, angle, and height;
 - Variation of building materials and colors;
 - Combined use of stone, siding, and window treatments; and
 - Articulation of elevations to reduce mass.

Off-street Parking and Circulation

Since development throughout the GCN will be phased, the minimum parking standard for development of any of the areas, prior to full build-out, will be to either (i) maintain the existing number of parking spaces, or (ii) if new parking spaces or a new parking design is proposed, it must substantially conform to the full build-out conceptual site plan for the commercial center which has a total of 492 parking spaces. As each area develops, conditions of approval for the SPDR will specify the requirements for development of new parking, or restriping, and will be based on the status of other development phases. All improvement requirements will be based on the goal of phased compliance with the full build-out conceptual site plan of the GCN commercial center.

GCN Parking Zones



Commercial Center Parking and Circulation Study

The applicant completed a Parking and Circulation Study to determine the appropriate number of parking spaces for the unique mix of proposed uses. The study was prepared by Linscott, Law & Greenspan Engineers (LLG). The analysis used an industry standard

methodology widely used for commercial centers, as well as actual peak time parking data for individual land use types. In addition, the study includes analysis of the 12 Target drive-up program spaces, which designates efficiency pick-up parking spaces.

Since the actual retail tenants of the proposed new commercial pads are not known at this time, LLG used four alternative scenarios for their analysis. Based upon the study, the four alternative scenarios peak parking demand generated ranges from a low of 483 parking spaces, to a high of 508 parking spaces. The proposed parking for the center is 492 spaces, reviewed and approved by the City's contract Traffic Engineer (Attachment C).

The circulation portion of the study incorporates analysis of both temporary and potentially permanent mitigation measures to reduce the impacts from vehicle queueing at the Chick-Fil-A in Long Beach and the future GCN drive-thru restaurant. A condition of approval of the SPDR and CUP for both the Target and the self-storage facilities is that the property owner/applicant prepare a Parking and Circulation Management Plan to be reviewed on a quarterly basis, or as needed, to ensure adequate circulation and queueing is provided for both the Chick-fil-A and the proposed GCN drive-thru restaurant. The goals of the quarterly review are to ensure adjustments to business demand and queueing capacity are made and that continued reciprocal parking for all GCN businesses is maintained.

Public Comments

As previously mentioned, the City received two emails from the public prior to the March 16, 2021 Public Workshop (Attachments D and E). One community member spoke (and also emailed) at the Planning Commission Public Workshop and Public Hearing and praised the project overall, but suggested an alternative use to the drive-thru restaurant that was less car-centric, similar to the Steelcraft food court development in Long Beach. The applicant prepared a response letter and commented at the Planning Commission Public Hearing that they remain open to options but wanted to vet the highest intensity use for the center, and that based on proximity to the freeway, the alternative option would not be a good fit (Attachment F). The City also received an email from a resident who noted concerns regarding the shared parking concept, traffic circulation, and queueing bottlenecks at Chick-fil-A.

Condition No. 12 of the Target CUP and Condition No. 9 of the self-storage CUP require the property owner/applicant to prepare a Parking and Circulation Management Plan to be reviewed by the City on a quarterly basis, or as needed, to ensure adequate circulation and queueing for the Chick-fil-A and the proposed Gateway Center drive-thru restaurant are maintained.

Landscape Standards

Upon full build-out of the GCN, the center's entry and other landscape areas shall substantially conform to the conceptual site plan and preliminary landscape plan approved for the entire commercial center. The SPDR conditions of approval for the Target remodel require installation of landscaped entry areas. Specific landscape

requirements will be applied to each development area. All of the proposed landscape must follow the City's Water Efficient Landscape Ordinance.

GCN Monument Signs

SP-12 allows for a maximum of three, six-foot tall, eight-foot wide monument signs located adjacent to E. 33rd Street, as noted on the approved full build-out conceptual site plan. The sign materials will include fabricated aluminum and wood with push-thru acrylic lettering and logos.

Proposed Monument Signs



Freeway-Oriented Sign

SP-12 allows for renovation of the existing Target freeway-oriented sign. The existing sign is located adjacent to the I-405 freeway at the southeast corner of the site. The sign renovation converts the pole sign to a monument-style sign and provides space for all GCN tenants. The renovated freeway sign will be 75 feet tall, 20 feet 10 inches wide with a six-foot depth. The existing sign is 56 feet tall, 40 feet wide and has a 10-foot depth.

Existing Freeway Sign



Proposed Freeway Sign



Tenant Signs

As tenants are secured, tenant wall signs will be reviewed under SPDR by the Planning Commission along with review of other tenant improvements and once approved, will become part of the comprehensive project sign program.

Stormwater Compliance

Phase II geotechnical data and the Human Health Risk Assessment prepared for the site both indicate that the infiltration of stormwater is not feasible for this site. A condition of approval of each SPDR will require the applicant to prepare a Low Impact Development (LID) plan using the City's template for review by the City's contract stormwater consultant. If the project results in soil disturbance greater than one acre, the developer will also be required to develop a Stormwater Pollution Prevention Plan. It should be noted that the City's stormwater consultant has verified the existing Target development has stormwater devices installed that allow infiltration. The consultant has inspected the devices and noted they were installed under previous LID regulations, and the remodel does not require they be updated.

CUP 21-01 – Target Sale of Alcohol for Off-Site Consumption

The applicant is requesting to sell alcohol for off-site consumption at Target, which is allowable under the proposed specific plan subject to City Council approval of a CUP. The interior remodel includes a 900 square-foot area in the store for the sale of alcoholic beverages. Conditions of approval include maintaining a current ABC license, prohibiting sale of alcoholic beverages to minors and objectively intoxicated persons, and adhering to the shopping center operations and maintenance standards.

CUP 21-02 – Self-Storage Facility

The applicant is requesting City Council approval to operate a self-storage facility. The proposed conditions of approval address maintenance and operational items that tend to be problematic at self-storage facilities. Specific conditions require the operator/property owner to execute either Covenants, Conditions, and Restrictions (CC&Rs), or as requested by the applicant, another type of covenant in a form to be approved by the City Attorney and to be recorded against the property. The CC&Rs or other type of covenant shall include the following elements:

- Lighting – Properly maintained and in first class condition;
- Graffiti – Removal of graffiti within 24 hours;
- Pest Control – Regularly scheduled;
- Paving and Striping – Maintain in first class condition;
- Security – Equipment and/or services as needed;
- Maintenance – Removal of trash debris; and
- Maintenance – Landscape in first class condition.

Development Agreement – Self-Storage Facility

As part of the self-storage project, the City has negotiated a Development Agreement with the property owner, Signal Fields North, LLC (Attachment G). The purpose of the agreement is to provide benefit to both parties. The agreement requires the owner to pay the City a one-time public benefit fee of \$250,000. The City may use the public benefit fee at its discretion, including to assist with public improvement projects, such as infrastructure projects including street repaving, sidewalk expansion, connectivity, and green streets projects. The public benefit fee is to be paid in two installments. The first installment of \$125,000 is due within five (5) business days of the agreement being approved. The second installment of \$125,000 is due either upon issuance of a certificate of occupancy for the self-storage facility, or on December 31, 2021, whichever is later.

The agreement also requires an ongoing public benefit fee of \$1.00 per leased space per month. The public benefit fee is triggered if a space is leased for any portion of 15 or more days during the month. The maximum amount of the monthly ongoing public benefit fee is equal to the total number of spaces leased during the month; for example, if all 1,529 spaces are leased, the fee will be \$1,529. Payments are due quarterly and will increase each year based upon the change in the Consumer Price Index for the Los Angeles-Long Beach-Anaheim area in the 12 months prior.

Environmental Analysis

An Initial Study and Mitigated Negative Declaration (MND) was prepared for the project by Meridian Consultants. The draft Initial Study/MND was submitted to the State Clearinghouse for distribution to appropriate agencies (SCH 2021030665). The state-mandated review period began on March 29, 2021 and ended on April 27, 2021.

The MND identified mitigation measures in the following categories:

- Cultural resources;
- Geology and soils;
- Hazards and hazardous materials;
- Transportation/Traffic; and
- Tribal Cultural resources.

The City received two public comments during the 30-day public comment period. The public comments and responses to comments have been included in the MND (Attachment H) and are summarized as follows:

- Los Angeles County Sanitation District
 - o Advised of the District's intent to provide wastewater services for this project and of the current and anticipated volume increase.
 - o Advised on required connection fees to use the sewer system.

- California Department of Transportation (Caltrans)
 - o Acknowledged that the project used Vehicle Miles Traveled (VMT) as the primary metric in identifying transportation impacts. Since the proposed project is located within half a mile of an existing high-quality transit corridor, it can be screened from further VMT analysis and can be presumed to have a less than significant impact on VMT.
 - o Identified appropriate means of pedestrian and bicycle mobility.
 - o Requested notice of construction permits, design and access.

A Mitigation Monitoring and Reporting Plan has also been prepared for the project to implement the mitigation measures (Attachment I).

Reviewed:

Sharon del Rosario

Approved:

Hannah Shin-Heydorn

Attachments