

CITY OF SAN DIMAS PLANNING COMMISSION MINUTES

Regularly Scheduled Meeting
Thursday, May 1, 2014 at 7:00 p.m.
245 East Bonita Avenue, Council Chambers

Present

Chairman Jim Schoonover
Commissioner David Bratt
Commissioner John Davis
Commissioner Stephen Ensberg
Commissioner M. Yunus Rahi
Assistant City Manager of Comm. Dev. Larry Stevens
Senior Planner Marco Espinoza
Planning Secretary Jan Sutton

CALL TO ORDER AND FLAG SALUTE

Chairman Schoonover called the regular meeting of the Planning Commission to order at 7:00 p.m. and Commissioner Bratt led the flag salute.

CONSENT CALENDAR

1. Approval of Minutes: April 3, 2014 (Davis absent)

MOTION: Moved by Bratt, seconded by Ensberg to approve the Consent Calendar. Motion carried 4-0-0-1 (Davis abstained).

PUBLIC HEARING

2. **CONSIDERATION OF MUNICIPAL CODE TEXT AMENDMENT 14-01** – A request to consider possible revisions to the permitted and conditionally permitted uses, which may include offices (without retail), various indoor recreation uses, grocery stores, day care uses, and other non-retail uses, within Chapter 18.140 Creative Growth Zone relative to Area 1 – Regional Commercial, in the area generally bounded by Eucla Avenue on the east, Cienega Avenue on the south, the 57 Freeway on the west and the railroad tracks on the north, and to consider possible revisions to the parking standards for shopping centers currently set forth in Chapter 18.156.

Staff report presented by *Assistant City Manager Larry Stevens* who stated this item started with a request from Meiloon Valley, LLC, the majority owner and property manager for San Dimas Station North and South, which was considered by the City Council in September

2013. However, there are other properties that are in the CG-1 zone which will be impacted by any changes made to the code, not just San Dimas Station. Meiloon would like to be able to allow offices that do not have a retail component; gym and fitness uses without having to meet the higher parking requirement; food, liquor, grocery and convenience stores; massage as a primary use; additional restaurant uses; sales of small outdoor recreational vehicles; day centers; and they recently added thrift stores to the list.

He summarized the existing regulations as they applied to some of the requested uses, the amount of restaurant space being utilized and current vacancy rate. At this time there is no additional opportunity for restaurant uses because both centers are at the 20% limitation. In regards to parking the center is parked at 1/225 sq. ft. and has a total of 660 parking spaces, which is just slightly over the required number of spaces. This limits the ability to use the existing floor space for higher intensity uses because they do not have excess parking. There may also be difficulty in doing a shared parking use agreement because they already have one in place for Montana's, which is 10,000 square feet and essentially has no parking because it was intended to be a shared use based on a daytime/nighttime operation.

There are also two undeveloped pads in San Dimas Station North and if they are evaluating parking, they need to know how it applies to those two pads. There also is a pending application for a trampoline center which is intended to utilize most of the surplus parking. There have been issues in the past with parking conflicts between the restaurants and other users when the vacancy rate has been low. Some of the parking is not located well as there are a significant number of spaces on the north side behind the center so it is not accessible to most customers.

Assistant City Manager Stevens stated there are a series of constraints that affect the ability to market and re-tenant the center and the City Council has asked Staff to look at ways to provide more flexibility to the owners to assist them. He pointed out where the two vacant pads are located and some of the constraints on them in regard to parking.

Commissioner Davis asked if those pads had any rights to use the parking available in the center.

Assistant City Manager Stevens stated they are part of the center and have rights to the shared parking and the CC&Rs, but these parcels are still owned by STG. One of the pads is developed with 20 parking spaces and when it was improved with parking in approximately 1989, Mr. Kanter made a commitment to merge it with the rest of the property as common area, but he did not do that before losing the center. Therefore, it technically has development rights unless someone gives them up in some way, but there hasn't been any active interest in developing that parcel.

Commissioner Davis stated then the choice of uses is based on the existing 660 spaces.

Assistant City Manager Stevens stated that is correct. The September 10th staff report presented possible approaches to the various uses and parking. He reminded them that this code amendment would impact more than just San Dimas Station. The Council discussed options which included creating a new specific plan for the area, or to combine this area with the commercial sections of SP-20 and SP-18 to create a freeway-oriented specific plan for consistency in all the shopping centers there. Staff felt it was appropriate to amend the CG-1 zone to be similar to, though not exactly the same as, SP-20 which was recently amended to allow more uses and discussed some of the proposed changes. Staff is not recommending the addition of thrift stores. There are certain types of retail businesses that are not as desirable due to maintenance and policing issues, and there can be a wide disparity in the quality of thrift

stores, as discussed when they had the proposal with the center at 702 W. Arrow Highway. Goodwill is very different than Wylene's which was operating at the Canyon Center years ago. It was because of these reasons that he put thrift stores in the prohibited category.

Commissioner Davis asked if there was a definition for thrift store and if an upscale resale clothing store would fall under that category. Would having an outside collection bin be part of the differentiation?

Assistant City Manager Stevens stated there isn't a specific definition, so Staff would have the applicant submit a business plan to determine if this would be more of a specialty retail store as opposed to a thrift store. One criteria may be to review how they come by their product; are they purchasing it for resale or is it all donation based. Collection bins can be part of the issue with thrift stores. He stated the most significant changes are in the prohibited use list; a couple of uses will now be permitted, some are being retained such as game arcades which the applicant requested, and several items are being added.

Commissioner Ensberg asked why laundry services will be prohibited.

Assistant City Manager Stevens stated that is a use that is more appropriate in a neighborhood center and is not a freeway-oriented business. This is a retail zone and the intent is to generate as much retail tax as possible. When he sees things like schools or churches in shopping centers, they are usually very distressed centers and these uses do not improve them. The operator of the Target center did not object to the list of prohibited uses. The Council expressed in September that they did not want massage allowed as a primary use, and explained the current situation with the State regulations. Meiloon has asked for child care facilities but Staff is not recommending allowing them. The center in Via Verde has a child care tenant, but there is a different layout and it doesn't necessarily make the shopping center there better. It would be difficult to create an outside play area as mandated by the State that doesn't take up parking area, and it can be difficult to create a safe drop-off and pick-up zone. He stated items J-Q are the types of businesses that can bring policing issues and Staff does not see them as being assets to this type of shopping center. If a use is clearly prohibited, it keeps people from trying to identify that use as a service business.

He stated the intent is to create some consistency between the freeway-oriented shopping centers. For the most part the list of uses has expanded and he has tried to be consistent with SP-20, and this accommodates many, though not all, of the requests from Meiloon.

Assistant City Manager Stevens stated the other issue to address is parking because many of the proposed uses require more than the 4.5 spaces/1000 sq. ft. San Dimas Station was developed at. As discussed earlier additional parking is not available. Besides the constraints of the restaurant concentration and the two undeveloped pads, there are multiple owners of the center. Meiloon is responsible for the common areas, but they do not own all the space and went over the options presented in the Table on Page 8. Staff feels Alternative Number 5 would be the best option, which deletes the 20% restaurant limit for major shopping centers and the percentage of office space allowed, and let the landlord work out the parking. That way parking would not have to be considered for any use except for added square footage, such as the two undeveloped pads. We would not base parking on the use just as long as they comply with the 4.5/1000.

Commissioner Davis clarified that the pads would be required to provide parking on the pad if they were to develop. Also with the office use, would these be professional offices that have customers coming in.

Assistant City Manager Stevens stated since both pads are owned by STG, it might be possible to preserve the existing developed parking to use with what develops on the undeveloped parcel. He feels using the built-out component benefits them because they will not have to provide additional parking with the intensification of use of existing square footage. He stated most business offices have clients coming in, such as tax offices or law offices. What they are trying to avoid is an office that is just for employees of the company.

Commissioner Davis asked why they didn't put office use under Conditional Uses if that is hard to determine. He felt if they eliminated the 10% cap, there may be too many offices in the center.

Assistant City Manager Stevens stated they are trying to be more accommodating for the owner and are trying to look at it that office-type uses are more common in shopping centers now than in the past. They could have considered requiring a CUP if an office exceeded a certain square footage but they did not do that in SP-20 and have not had a problem with too many offices in that zone.

Chairman Schoonover opened the meeting for public hearing. Addressing the Commission were:

Johnson Yang, Owner of Meiloon, 635 W. Arrow Highway, stated he has been working to enhance the center since taking it over a year and a half ago. Even though it is near the freeway, it is 30 years old and always has a high vacancy rate and felt there were too many restrictions and prohibited uses. They have made many improvements to the center such as tree trimming, parking lot repair, adding landscaping and building repairs, but this is all very expensive and they do not find the other owners to be very cooperative when it comes to the center. The north side has a 24% vacancy rate, which is very high. They also have issues with some of the tenants not paying market rent.

Commissioner Ensberg stated it seems these issues were there when the center was purchased and would have been reflected in the price he paid. He asked if they had any objections to the City not allowing massage as a primary use.

Johnson Yang, Meiloon, stated he did get a good price but he felt that they could improve it and make it do better. But they have found that after spending all this time and effort it is not working out that way. He stated he understands the potential problems associated with massage businesses.

Commissioner Ensberg stated in the past he patronized a pizza parlor in La Verne but since they added a Crunch center, he can no longer find parking and doesn't eat there as often. He has seen the same thing happen in West Covina that having a fitness use in a shopping center interferes with the operation of other businesses.

Jennifer Yang, Meiloon, 635 W. Arrow Highway, asked if he was referring to the trampoline park they were trying to bring in. Where they are looking to locate is the only vacancy large enough to accommodate that use, and they have parking in the rear for that. They are not considering bringing in a gym at this time.

Commissioner Ensberg stated they are asking that fitness centers be allowed in the future even if they are not choosing to put one in now, but in a few years they might want to put one in and it will impact the other businesses.

Jennifer Yang, Meiloon, stated there is parking in the back of the building so they are going to have an entrance from the rear into the trampoline park to help with that issue. Any other fitness use that went into that space would also have that available.

Commissioner Ensberg stated he is in favor of more restaurant uses so he is in support of eliminating the 20% cap and letting them have as many restaurants as they would like and have them handle the parking.

Jennifer Yang, Meiloon, stated most of the inquiries they receive are for yoga, cross-fit, and kickboxing. Crunch Fitness in La Verne approached them first about that space but because of the issues with parking and the zoning, they turned them away. They do not get that many inquiries for other restaurant uses. She stated she would like to talk about the prohibition on thrift stores because they have had an inquiry from Goodwill for an 8800 sq. ft. tenant space. She understands there were issues with the other Goodwill proposal but felt there were ways to deal with them.

Johnson Yang, Meiloon, stated since more people are buying through the internet, he felt it will be difficult to find a larger retail tenant and it would be easier to lease the space to a gym or thrift store. He stated several of the smaller tenants have recently moved out of San Dimas Station South.

Assistant City Manager Stevens confirmed with Jennifer Yang that the thrift store they have been talking to is Goodwill. He stated Goodwill was actually approved to operate after a zone change and conditional use permit were approved, and then they chose not to move forward with opening the store.

Commissioner Rahi wanted to clarify that they are not getting any requests for new restaurants.

Jennifer Yang, Meiloon, stated they had an inquiry about a pizza restaurant but they could not allow it because there is already a pizza restaurant. Mostly they get requests for coffee and tea shops. She thinks they are not getting requests from larger restaurants because they usually want a stand-alone parcel. They have also not been marketing the center for more restaurants because of the current limitation.

Commissioner Bratt stated he doesn't have many problems with the proposed uses, but he does have an issue with the parking. He stated it is very difficult to find a parking space in San Dimas Station North on a Saturday night and is concerned about making concessions on the parking. He stated the same issue is in San Dimas Station South in that all the heavy users are concentrated in one area and sometimes you have to park at the opposite end of the parking lot. If you go to Lowe's or Target, there is always adequate parking, and maybe they have more than they need, but he felt the Commission should recognize that parking is an issue in San Dimas Station and they shouldn't ignore that. He was very concerned about what would happen if they put a gym into the center.

Chairman Schoonover stated they cannot legislate the parking based on one night of the week when there may be no impact the other nights of the week.

Commissioner Ensberg stated if they have a parking problem, it means the center is successful.

Commissioner Rahi stated maybe they can have valet parking to utilize the spaces in the back of the center more.

Assistant City Manager Stevens stated if they took a 5,000 sq. ft. space, which is a common restaurant pad size, and compare the parking requirements, for retail at 4.5/1000, it would require 22 parking spaces. The same size for an office at 5/1000 would require 25 parking spaces. A restaurant at 1/75 square feet is 65 parking spaces which is triple the amount. While restaurants are desirable and help to create demand, as a rule they also demand a lot more parking. So 4.5/1000 standard is very generous when looking at restaurant space so you have to be very careful how to manage that, and historically this center has not managed the demand between high-demand restaurant tenants and the other tenants.

Commissioner Ensberg asked why they don't just let the market handle it.

Assistant City Manager Stevens stated while an unhappy tenant might talk to the landlord about a lack of parking impacting the success of their business, in this center the businesses do not all have the same landlord. They also call the City to complain. Currently Staff is dealing with an issue related to a recent car show at the center and one of the tenants complaining about the parking issue during it. He related historical issues associated with the parking when Western Connection, Zendejas, and Coffee Klatch were operating on the weekends and patrons were parking down the street and in other parking lots because of the demand. You also don't want to see time limits or marked spaces for specific tenants in a shared parking lot. The goal of the City is to try to help Meiloon be more successful by allowing more uses and relaxed parking standards. Staff has presented a starting point for how to tweak the parking standards and what uses may be appropriate; the Applicant disagrees with some of the suggestions, so it is up to the Commission to decide what is appropriate.

Johnson Yang, Meiloon, stated if they can address the parking issue they can aggressively market the center and lease out more space to make it profitable.

Jennifer Yang, Meiloon, stated she did not agree with having to reserve parking spaces for the two undeveloped parcels owned by STG in San Dimas Station North because they may never develop, and she would hate to turn away a really great tenant because they are short a few spaces because they are holding space for these parcels.

Assistant City Manager Stevens stated the current recommendation is that the only consideration for additional parking is what is necessary to accommodate whatever the maximum development potential is on the pad next to the gas station. So on that 10,000 sq. ft. pad they can probably achieve about 50% lot coverage which is pretty decent, but it is also located in the area where the concentration of businesses already fighting over parking. They would also try to not lose the 20 spaces that are developed on the other pad.

Commissioner Bratt asked what the Applicant had in mind in regards to community centers and meeting halls.

Jennifer Yang, Meiloon, stated they are just requesting child daycare and a senior center.

Assistant City Manager Stevens asked if they have had any inquiries for a daycare center.

Jennifer Yang, Meiloon, stated they have not had any at all.

Assistant City Manager Stevens stated from Staff's position there isn't the space for the mandated outdoor play area and he didn't feel this is a use that would improve the center, so in the recommendation he tried to focus on what uses would help them the most.

There being no further comments, the public hearing was closed.

Chairman Schoonover stated he concurs with the proposed uses and prefers Alternative No. 5 for the parking.

Commissioner Ensberg stated he would like them to approve the 4.5 spaces/1000 sq. ft. parking standard and to take the cap off restaurant use. He felt it was a market situation and up to the landlord to solve the parking. He asked if there is an issue with parking in the future because of the uses, can they reserve the right to require valet parking.

Assistant City Manager Stevens stated that can be done with a use permit or a standard can be created in the parking code that gives them the right to review if they cannot manage the parking.

Commissioner Ensberg stated he would allow Goodwill to come into the zone as they have discussed this in the past and a thrift store is allowed in other zones within the City, but he did not want to see massage allowed as a primary use.

Chairman Schoonover stated he concurs with most of those suggestions but is still opposed to allowing thrift stores in this zone.

Commissioner Rahi stated they are looking at daytime use versus nighttime use, and restaurants are more of a nighttime use. If there is no limitation on the Applicant's right to parking management, there are several ways to manage parking and valet parking is just one option. They can look at some daytime uses that will help the center to increase their revenue. He agrees with most of the proposed uses, but maybe they can allow daycare with a CUP.

Commissioner Davis asked if Zendejas and Clayton are in buildings under different ownership.

Assistant City Manager Stevens stated all the units that front Bonita are under separate ownership, such as Clayton, Boot Barn, and Montana's. Zendejas is Meiloon's tenant.

Commissioner Davis stated so part of the problem is that there are different owners that already have restaurants and they are restricted to the type of restaurant they can attract because there are already existing restaurants. The other issue is if Montana's is causing a problem, Meiloon does not have any control over that tenant.

Assistant City Manager Stevens stated Meiloon has control of the common area which is all of the parking and all of the landscaping. In the past Montana's and Zendejas have both tried valet parking. It was very disorganized and created more problems so they were told to stop. Meiloon has some ability to limit how the common area is shared, and they probably have a majority vote when it comes to revising the CC&Rs and setting operation standards. The difficulty in the past is that the other owners aren't always timely in paying the CAM charges or they do not pay at all, but that is a private matter. It is not a City problem until people complain to us or there are fights in the parking lot.

Commissioner Davis stated then there could be a problem with the other owners coming back to the City to complain about there being a parking problem if they revise the code.

Assistant City Manager Stevens stated that is correct, or the users will start to migrate off-site for parking, similar to the early '90s when Western Connection was wildly successful. But a lot of businesses like that are cyclical where they will have a few very intense years of business, and then several years where they are not so popular. There was a similar situation with the bowling alley, and you see this with other recreational uses.

Commissioner Ensberg stated but that indicates they had a healthy business.

Assistant City Manager Stevens stated they did but it generated complaints from the neighboring businesses because it impacted their parking. There is a similar situation with Casa Del Rey; they were developed in the 1970s and have on-site parking but there is commonly people parked along the street and in the bowling alley parking lot because they probably do not have enough parking for their use. If the operations of a business become a problem, you want them to be able to step up and cooperatively try to resolve the issue with as many people as possible, but sometimes that doesn't always happen without some outside help.

Commissioner Ensberg asked if the City can reserve a way to have this come back for review if problems arise with the parking that aren't being handled by the landlord.

Assistant City Manager Stevens stated he can add a standard that gives the City the opportunity to do so.

Commissioner Davis stated then there appeared to only be disagreement on the thrift store and which option to use for the parking standards.

Commissioner Ensberg stated he prefers Option No. 3 but would not object to Option No. 5 for the parking.

Commissioner Rahi felt that allowing them to have daycare would help them increase the daytime use of the center.

Commissioner Davis stated he understands Commissioner Bratt's concerns about parking, but he would be supportive of Option No. 5 in the report. He also does not object to having thrift stores as a conditional use, but would not want them to have collection there.

Assistant City Manager Stevens stated if you make thrift stores a conditional use you can address the issue of collection by prohibiting it or establishing parameters as part of the use permit.

Commissioner Davis stated he does not support having childcare because he felt it would ruin the center. He stated he is a little concerned with removing the cap on office uses but does not object to adding more restaurants.

Assistant City Manager Stevens stated they could permit offices up to a certain square footage and conditionally permitted if larger than a specified square footage.

Commissioner Davis stated he would prefer that if office uses exceed 10% of the center's square footage, then they should be conditionally permitted.

Commissioner Bratt stated he did not think offices are appropriate for shopping centers because they don't generate sales tax revenue, but he doesn't have a problem with the 10% limit. He stated he does have a real issue with the parking and feels if they do away with the parking requirements for the limitation on restaurants, he cannot support that.

Assistant City Manager Stevens stated they could do a similar limitation on the restaurants that if they exceed a certain amount of the space, they would require a CUP. He stated the reason they had the 20% cap on restaurants was based on what existed in 1989 under Gary Kanter and the desire to have more restaurants using some of the undeveloped pad space and

they backed into that figure, but then some of the restaurants went into the inline store space instead.

RESOLUTION PC-1506

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SAN DIMAS RECOMMENDING APPROVAL OF MUNICIPAL CODE TEXT AMENDMENT 14-01, RECOMMENDING APPROVAL OF REVISIONS TO THE PERMITTED, CONDITIONAL AND PROHIBITED USE LISTS IN CREATIVE GROWTH ZONE, AREA 1 AND TO THE PARKING STANDARDS APPLICABLE TO SHOPPING CENTERS

MOTION: Moved by Ensberg, seconded by Davis to adopt Resolution PC-1506 recommending approval of Municipal Code Text Amendment 14-01, and adding language that offices be permitted up to 10% of the total center square footage and anything exceeding that would require a Conditional Use Permit; that Thrift Stores be conditionally permitted; to approve Alternative No. 5 in the staff report for parking requirements; to remove the 20% cap on restaurant space; and that a standard be added allowing the City to maintain some type of enforcement action so that if the parking situation becomes untenable, the City has the ability to correct the situation. Motion carried 4-1 (Bratt voted no).

ORAL COMMUNICATION

3. Assistant City Manager for Community Development

Assistant City Manager Larry Stevens stated the apartments at Bonita Canyon are getting closer to completion and a rental office is being set up in a vacant building next to the Fresh and Easy. He outlined some of the topics discussed at the Council Retreat, and stated NJD is still in plan check and there are indications they may be selling the project to another developer. The City Council has given direction on how to proceed with the sales of the low-income units at Grove Station/Village Walk so that program is likely to start in the fall. There are possible food tenants for the last pads at the Costco center, and the two proposed residential projects are moving through the process and will be coming back to Commission in the near future.

4. Members of the Audience

No communications were made.

5. Planning Commission

Commissioner Davis asked about the status of the rehabilitation center.

Assistant City Manager Stevens stated the use has been approved and the design is scheduled to be reviewed at the next City Council meeting. One topic discussed at the retreat was holding study sessions early in the process so they are looking at how to do that and for what types of projects.

ADJOURNMENT

MOTION: Moved by Ensberg, seconded by Schoonover to adjourn. Motion carried unanimously, 5-0. The meeting adjourned at 9:40 p.m. to the regular Planning Commission meeting scheduled for Thursday, May 15, 2014, at 7:00 p.m.

Jim Schoonover, Chairman
San Dimas Planning Commission

ATTEST:

Jan Sutton
Planning Commission Secretary

Approved: June 5, 2014