Beverly Hills City Council Liaison / Planning Commission Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

CITY HALL
455 North Rexford Drive
4th Floor Conference Room A
Beverly Hills, CA 90210

Thursday, November 29, 2018
4:00 PM

AGENDA

1) Public Comment
   a. Members of the public will be given the opportunity to directly address
      the City Council on any item listed on the agenda.

2) 408-410 South Beverly Drive (Code Change for Medical Office Conversion)

3) 9150 Wilshire Boulevard (Medical and General Office Building)

4) Adjournment

Lourdes Sy-Rodriguez, Assistant City Clerk

Posted: November 21, 2018

A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE LIBRARY AND CITY CLERK’S OFFICE.

In accordance with the Americans with Disabilities Act, Conference Room A is wheelchair accessible. If you need special assistance to attend this meeting, please call the City Manager's Office at (310) 285-1014 or TTY (310) 285-6881. Please notify the City Manager's Office at least twenty-four (24) hours prior to the meeting if you require captioning service so that reasonable arrangements can be made.
MEMORANDUM
CITY OF BEVERLY HILLS

TO: City Council and Planning Commission Liaison Committee

FROM: Ryan Gohlich, AICP, Assistant Director of Community Development / City Planner

DATE: November 29, 2018

SUBJECT: 408-410 South Beverly Drive (Code Change for Medical Office Conversion)
City Council and Planning Commission Liaison Meeting

The purpose of this memo is to provide a brief summary of an item proposed for discussion by the Liaisons, which involves the commercial building located at 408-410 South Beverly Drive.

Project Background. The subject commercial building was originally constructed in 1946 as a two-story medical office building with basement. Since that time the subject building has been converted to general offices, and has functioned as a general office building since at least 1963 according to the City’s permit records. At this time the property owner desires to explore the possibility of converting at least a portion of the building to medical office space (for dental purposes). Pursuant to the City’s Medical Use ordinance, the subject property cannot be converted to a medical office without complying with the City’s parking requirements and being granted the Medical Overlay Zone, which requires the provision of public benefits.

The property owner proposes a code change that would create specific exemptions from the Medical Use ordinance in order to allow small-scale general office buildings that were once medical offices to be converted back to medical offices, and also allow for parking requirements to be satisfied through leased (rather than covenanted) off-site parking spaces. The property owner’s proposed code language and parking agreement is provided as Attachment 1 for reference.

Liaison Comments/Direction. The purpose of this meeting is to provide the property owner with a forum to discuss the proposed code change and receive feedback as to whether there is interest from the Liaisons in modifying the Medical Use ordinance in order to accommodate specific circumstances.

Next Steps. Upon receiving comments from the Liaison Committee regarding the request, staff will work with the property owner to file the appropriate applications should the property owner choose to proceed.
ATTACHMENT 1

PROPOSED AMENDMENTS AND PARKING AGREEMENT
AMENDMENT TO 18.5 MEDICAL USE OVERLAY
OUTSIDE OF C-PD-M DISTRICT

The City Council finds and determines that there are certain parts of the City which are zoned C-3, where small buildings were originally designed to be medical buildings with limited medical space. That said, buildings are not sufficient to be used to either promote retail sales or Class A office space.

That said space is better used for small medical offices provided that the medical space is not more than 30 percentage of the total of the building.

This Amendment to 18.5 will allow for limited re-establishment of medical space at appropriate locations within the City. These small medical buildings would be consistent with the Underlying Zoning District and General Plan.

This Amendment will ensure that a small limited percentage of medical space will not create incompatible uses permitted in the adjacent area and will not create impacts to the City.

Said Amendment is only applicable if:

1. If the building does not contain more than 7,000 square feet, the lot size of the building is not greater than 5,500 square feet, and the medical space is no more than 20% of the total floor area.

2. The building provides parking to accommodate the medical use, by either a sufficient number of code spaces onsite as provided in code 10.3-2730 for medical space, or provides for attendant parking in a tandem nature to handle the onsite, free validated parking for both
medical patients and medical employees. Said attendant shall be onsite for all hours in which the medical use is open.

3. Should it not be possible to accommodate the onsite parking for employees, the employees of the employer using the medical space shall provide by a Lease, free parking for employees within 1,000 yards of the medical facility. To substantiate that this condition is a continuing obligation, the employer of the medical space shall furnish to the Director of Community Development annually an affidavit specifically stating that the offsite spaces are still in force and effect and are being used by the employees.

4. As part of the findings that need to be made to allow for the limited medical space, the Director shall determine that the use of space does not result in detrimental impact to existing or anticipated residential development in the vicinity of the property.

5. The proposed use of space will be consistent with the general use of other space within the area and which the medical space is located, and will maintain and foster an appropriate mix of uses in the area. In accordance with the findings, the Director can evaluate the different mix of uses to determine that medical is not the overwhelming use within this zone.

6. Should it be determined that medical use is appropriate for the property in accordance with the percentage as determined in this Code Section, there shall be no other medical use allowed for the building except for the percentage allowed.

7. Should the Community Development Director determine that the Application is better reviewed by the Planning Commission, the Director shall retain discretion and recommend that the matter be heard by the Planning Commission for its decision and findings.
AGREEMENT
(For Off-Site Parking)

This Agreement is entered into this ______ day of ________, 2018, by and between the City of Beverly Hills, (“City”) and ______________________, (“Owner”) and ______________________, hereinafter referred to as (“User”).

RECITALS

A. Owner represents and warrants that Owner is the record owner of the following described real property situated in the City of Beverly Hills, County of Los Angeles, State of California, and commonly known as ______________________, Beverly Hills, California (“Off Site Parking Facility”) identified by Los Angeles County Assessor’s Parcel Number(s) __________ and more particularly and legally described as follows:

Lot ___, Block _____ of the Beverly Tract, in the City of Beverly Hills County of Los Angeles, State of California, as per Map recorded in book ____, Page ____ of Maps in the Office of the County Recorder

B. The City of Beverly Hills requires that User, the operator of the ______________________, Beverly Hills, California, hereinafter referred to as Use Location requires _____ parking spaces in order to operate its ________ business at said Use Location.

C. The City of Beverly Hills pursuant to its Municipal Code Section 10-32734 (“Code”) allows either the Owner or Lessee of record of the Off-Site Parking Facility to provide satisfactory evidence to the City Planning Officials that they have available sufficient parking spaces to meet the needs of the Use Location.

D. Further pursuant to said Code, the Owner is required to enter into a Agreement/Lease for the benefit of the City acknowledging that the Owner will continue to maintain said parking spaces so long as said User has a need for Off-site Parking spaces.

E. Further, said Owner acknowledges and represents that title to and right to use the lots upon which the Use parking spaces are to be provided, i.e. the Off-site Parking Facility will be subservient to the title of the premises upon which the Off-site parking is provided and that
said lots will not be made subject to any other Agreement/Lease for said Use without the prior written consent of the City of Beverly Hills.

F. Owners represents that its Off-site Parking Facility has ___ total parking spaces and therefore, there is an excess of ___ parking spaces in the Off-site parking facility.

NOW, THEREFORE, as required by the Beverly Hills Municipal Code and as a condition of the issuance by the City of the necessary land use entitlements, and/or hereby Agreement/Lease s with the City of Beverly Hills to provide ___ spaces specifically for the use of the Use Location and that at all times said spaces shall be available specifically for the Use site as required by the Code and upon the following terms and conditions.

1. However, if the Use site set forth above is converted to a different use that requires additional Off-site parking spaces, the additional Off-site parking spaces shall be provided as required by the Beverly Hills Municipal Code or in the event that they are not able to be provided that said converted use must immediately cease and desist.

2. Should the Use be terminated, discontinued or should the Use be reduced by satisfactory evidence to the City of Beverly Hills, said parking Agreement/Lease shall be removed and/or modified accordingly and the City agrees to enter into a cancellation or modification of said parking Agreement/Lease. It is understood that only upon reasonable satisfaction and proof to the City should said Agreement/Lease be terminated.

3. If the Owner or the User fails to comply with the provisions of this Agreement/Lease, the City may, after delivery to Owner and tenant of written notice describing the failure to comply and Owner and User continuing non-compliance within 30 days of delivery of said Notice, revoke certificate of occupancy as to the User and require the User to cease and desist from doing any additional business that requires the Off-site parking facilities. In addition, the City may pursue any remedies or penalties as allowed by law or equity.

4. This Agreement/Lease shall run with the land and shall bind and inure to the benefit of the successors, heirs and Agreement/Lease assigns of the Owner. This Agreement/Lease shall be recorded in the Office of the County Recorder, as required by the City of Beverly Hills.

5. Owner and User hereby accepts all the terms and conditions as set forth within this Agreement/Lease and agrees to abide by all terms and conditions and upon reasonable inquiry from the City of Beverly Hills to make available to the City sufficient evidence substantiating that the Use spaces are still at all times available.
Executed this ___ day of ______________, 2018.

CITY OF BEVERLY HILLS

Approved as to content:

By:________________________
   Director of Planning and
   Community Development

Approved as to form:

By:________________________
   City Attorney

By:________________________
   * User:

By:________________________
MEMORANDUM

CITY OF BEVERLY HILLS

TO: City Council and Planning Commission Liaison Committee

FROM: Ryan Gohlich, AICP, Assistant Director of Community Development / City Planner

DATE: November 29, 2018

SUBJECT: 9150 Wilshire Boulevard (Medical and General Office Building)
City Council and Planning Commission Liaison Meeting

The purpose of this memo is to provide a brief summary of an item proposed for discussion by the Liaisons, which involves the commercial building located at 9150 Wilshire Boulevard.

Project Background. The subject commercial building was originally approved for development in 1988. The approval at that time prohibited medical offices within the building; however, in 1991 the City Council amended the approval to allow up to 5,000 square feet of medical offices within the building. In June of 2017 the property owner made a request for the City Council to allow an additional 6,000 square feet of medical office space within the building (for a total of 11,000 square feet) in order to align the building’s medical allowance with the City’s Medical Use ordinance, as the Medical Use ordinance allows building’s with existing medical space to add up to 6,000 square feet of additional medical space provided that certain standards are met.

The City Council referred the matter to the Planning Commission for a recommendation, and in November of 2017 the Planning Commission recommended that the medical expansion be denied. However, the Planning Commission also indicated that they would not be opposed to the medical expansion if the City Council and applicant could reach a mutually agreeable public benefit that might help to offset some of the negative attributes often associated with medical offices. At this time, the applicant is proposing to make 14 parking spaces available to the general public between the hours of 3:00 PM and 7:00 PM for a flat rate of $5 in order to offset the loss of street parking along Wilshire Boulevard during anti-gridlock hours. Further information regarding the applicant’s proposal is provided as Attachment 1.

Liaison Comments/Direction. The purpose of this meeting is to provide the applicant with a forum to discuss the medical expansion and associated public benefits, and to determine whether there are any feasible public benefits that may serve to appropriately offset any adverse impacts associated with the proposed expansion.

Next Steps. Upon receiving direction from the liaison committee as to how to proceed with the request, staff will work with the applicant and return to the full City Council for discussion at a future hearing.

Attachments: 1. Applicant Memo Regarding Project and Public Benefit
2. Planning Commission Resolution
ATTACHMENT 1

APPLICANT MEMO REGARDING PROJECT

AND PUBLIC BENEFITS
Public Benefit Proposal
Offered By New Lion Enterprises, LLC ("Applicant")
c/o Dr. Armand Newman
9150 Wilshire Blvd.
Beverly Hills, CA

Mark Egerman, Esq.
Egerman Law Group, LLP
280 S. Beverly Drive, Suite 304
Beverly Hills, CA
310-248-6299
310-248-6288 facsimile
mark@egermanlaw.com
Attorney for New Lion Enterprises, LLC

FACTUAL BACKGROUND

The subject property was developed in 1990 with a three-story commercial building and four levels of parking (located at and below grade). The existing commercial building contains approximately 85,000 square feet of floor area with 333 on-site parking spaces located in the subterranean garage. The building is occupied by multiple tenants including both general office and medical office tenants. On October 18, 1991, a covenant was recorded to memorialize certain development restrictions, including limiting medical use to 5,000 square feet.

The City Council in 2011 adopted an ordinance regulating medical uses, which restricted medical floor area to the amount that existed at the time, with the exception that owners of buildings with one or more legally existing medical uses could add up to 6,000 square feet of medical use. Thus, under existing law, Applicant could add an additional 6,000 square feet of medical use (a total of 11,000 square feet of medical use). The covenant, however, which preceded the 2011 ordinance, limits medical use to 5,000 square feet. Applicant has requested that the City Council amend the covenant to increase the maximum amount of medical floor area from 5,000 square feet to 11,000 square feet, thus allowing the property owner to avail itself of the code-permitted 6,000 square foot expansion in accordance with current medical use restrictions. If the current covenant did not limit the amount of medical use in the building, the City's medical use ordinance would allow an additional 6,000 square feet of medical use by right.

The Planning Commission recommended that the expansion not be allowed unless Applicant provided the City with a public benefit.
PUBLIC BENEFIT PROPOSAL

At the present time there is public street parking on Wilshire Boulevard. Public parking is prohibited, however, after 3 p.m. To alleviate the loss of public parking on Wilshire Boulevard after 3 p.m. to provide a public benefit to the City of Beverly Hills and its residents, Applicant makes the following proposal:

The garage at 9150 Wilshire Boulevard contains 14 valet spaces on its first level. Applicant proposes that it will make these 14 valet spaces available to the general public from 3 p.m. to 7 p.m. for a flat rate of $5, Monday through Friday, excluding holidays. If in the future the City or Parking Authority increases facility parking rates, the Applicant would be allowed to adjust the discounted parking rate by the same percentage as any future adjustment to the evening parking rate by the same percentage as offered at City or Parking Authority owned parking structures in the City’s business triangle, as may be adopted in the Parking Facility Rates list by facility address on either the City Schedule of Taxes, Fees & Charges or the Parking Authority Schedule of Parking Facility Rates.

This Public Benefit Proposal is substantially more beneficial than that provided under Resolution No. 14-R-12967 for the building at 8767 Wilshire Boulevard, which provides for public parking at a flat rate of $5, but only after 6 p.m., not after 3 p.m. It is, therefore, respectfully requested that the Liaison Committee of the Council and Planning Commission recommend that this Public Benefit Proposal be recommended to the Council and Planning Commission to have the Covenant amended to delete paragraph 2, the restriction on medical use, and modify paragraph 7 to provide for sixty five (65) excess parking spaces rather than eighty six (86) so that the Applicant be governed by the existing provisions of the BHMC and any future modification of the BHMC.

Respectfully, submitted.

New Lion Enterprises, LLC

By: ________________________________
   Mark Egerman, its Attorney
ATTACHMENT 2

PLANNING COMMISSION RESOLUTION
RESOLUTION NO. 1829

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BEVERLY HILLS RECOMMENDING DENIAL OF A COVENANT AMENDMENT TO INCREASE THE LIMIT ON MEDICAL USE FROM 5,000 SQUARE FEET TO A MAXIMUM OF 11,000 SQUARE FEET OF FLOOR AREA AND REDUCING THE NUMBER OF EXCESS PARKING SPACES ABOVE PARKING REQUIREMENTS REQUIRED FROM 86 TO 65 ON THE PROPERTY LOCATED AT 9150 WILSHIRE BOULEVARD (PL1619772).

WHEREAS, Dr. Armand Newman, on behalf of New Lion Enterprises, LLC (the "Applicant"), has submitted an application for a covenant amendment to modify an existing covenant to allow expansion of medical use in the building to a maximum of 11,000 square feet of floor area and to reduce the number of excess parking spaces required above parking requirements from 86 to 65 on the property located in the Central Area of the City at 9150 Wilshire Boulevard (the "Project"); and

WHEREAS, the City Council is the reviewing authority for all requests that seek to amend previous City Council decisions; and

WHEREAS, the City Council conducted a duly noticed public hearing on June 20, 2017, at which time it received oral and documentary evidence relative to the request to revise a covenant establishing the maximum amount of medical use allowed at 9150 Wilshire Boulevard, and at which time the City Council directed the Planning Commission to review the Project and make a recommendation regarding the requested covenant amendment; and
WHEREAS, the Planning Commission conducted a duly noticed public hearing on October 26, 2017, at which time it received oral and documentary evidence relative to the proposed covenant amendment;

NOW, THEREFORE, the Planning Commission of the City of Beverly Hills does resolve as follows:

Section 1. The Planning Commission finds that the project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq.), and the environmental regulations of the City. According to Section 15270 of the State CEQA Guidelines, CEQA does not apply to projects which a public agency rejects or disapproves. Consequently, should the City Council choose to deny the requested amendment, such denial would be statutorily exempt from the provisions of CEQA.

Section 2. The Planning Commission considered the requested increase in medical use and the requisite reduction in amount of excess parking memorialized in the current covenant, and identified various concerns including a) the potential impacts from the increased activity associated with additional medical use, b) the reduction in the amount of excess parking provided at the building and the potential for spillover impacts to the community depending on future mixes of uses in the building, c) whether additional medical use represented an appropriate mix of uses in a
general office building, and d) the concept of obtaining appropriate consideration for the
rights the City is asked to give up (in the event of approval of the covenant amendment).

**Section 3.** The Planning Commission does hereby recommend that the City Council make no changes to the existing covenant, recorded on October 18, 1991, on the property located at 9150 Wilshire Boulevard, attached herein as Exhibit A, and deny the requested covenant amendment seeking to increase the amount of medical floor area allowed in the building at 9150 Wilshire Boulevard from 5,000 square feet to 11,000 square feet and to modify the number of excess parking spaces required from 86 to 65. The denial recommendation is because reducing the number of excess parking spaces required by the current covenant has the potential to result in traffic and parking impacts in the neighborhood that could result from increasing medical use alone or in
conjunction with other existing or future uses in the building, along with concerns regarding mix of uses in the building. However, in the event that the owner and City Council are able to identify a mutually acceptable public benefit that would offset the impacts identified by the Planning Commission, the Planning Commission would not oppose the proposed covenant amendment.

Adopted: November 9, 2017

Lori Greene Gordon
Chair of the Planning Commission
of the City of Beverly Hills

Attest:

Ryan Mohlich, AICP
Secretary of the Planning Commission

Approved As To Form:

David M. Snow
Assistant City Attorney

Approved As To Content:

Ryan Mohlich, AICP
Assistant Director / City Planner
Community Development Department

Exhibits:
A – Existing Covenant, recorded October 18, 1991
EXHIBIT A

2 pages excluding this cover
Covenant and Agreement for Use of Building at 9150 Wilshire Boulevard

This covenant and agreement is entered into by Casden Properties, a California General Partnership (hereafter "Casden").

Section 1. Casden certifies that it is the owner of the following described real property in the City of Beverly Hills, County of Los Angeles, State of California:

Tract Number 6380, Lots 957, 958, 959, 960, 961, 962
As filed in Book 69, Pages 11 to 20,
Records of Los Angeles County (hereafter "the property")

Section 2. As a condition of development of the property with the building commonly known as 9150 Wilshire Boulevard (hereafter "the building"), Casden agrees and covenants that such building shall comply with the following requirements:

1. Restaurant and entertainment-type uses shall be prohibited.

2. Medical office uses shall not exceed a cumulative total of 5,000 square feet.

3. Free parking shall be provided for all employees of tenants in the building.

4. Free validated parking shall be provided for all visitors of tenants in the building.

5. Signs adequately informing users of the building of the parking validation program shall be posted in conspicuous and visible locations.

6. A parking attendant and/or security guard shall be maintained on duty during the business hours of the building to
supervise the exiting of vehicles from the building and to ensure that all such vehicles turn left (north) toward Wilshire Boulevard.

7. Eighty-six (86) parking spaces in excess of Municipal Code requirements shall be provided.

Section 3. Compliance with this covenant and agreement shall remain a condition of the development approval and the certificate of occupancy of the building. Violation of this covenant may result in revocation of the certificate of occupancy and prosecution for failure to comply with the development conditions of the building.

Section 4. This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until released or terminated in writing by the City of Beverly Hills.

Section 5. That certain Covenant and Agreement To Prohibit Restaurant, Entertainment and Medical Office Uses, dated May 31, 1991 and recorded as Document No. 91 999368 in the Recorder's Office of Los Angeles County on July 1, 1991, is hereby terminated.

Dated this 2nd day of October, 1991

Name of Owner: Casden Properties, a California General Partnership

By: The Casden Company, a California Corporation, a General Partner

By: [Signature]

[Signature]

Henry C. Casden
President

Approved for Recordation:

City Attorney

Oct 3, 1991

91 1645423
I, KAREN MYRON, Recording Secretary of the Planning Commission of the City of Beverly Hills, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 1829 duly passed, approved and adopted by the Planning Commission of said City at a meeting of said Commission on November 9, 2017, and thereafter duly signed by the Secretary of the Planning Commission, as indicated; and that the Planning Commission of the City consists of five (5) members and said Resolution was passed by the following vote of said Commission, to wit:

AYES: Commissioners Corman, Shooshani, Block, Vice Chair Licht, Chair Gordon

NOES: None

ABSTAIN: None

ABSENT: None

KAREN MYRON
Recording Secretary of the Planning Commission
City of Beverly Hills, California