



City Council Agenda Item

City Council Meeting Date: December 21, 2021

TO: Jim Throop, City Manager

FROM: Brian Halvorson, Planning Manager
b_halvorson@ci.lompoc.ca.us

SUBJECT: Modification of Conditional Use Permit 08-05 to Modify or Remove a Condition Requiring Sales Tax Generating Uses on the First Floor for the Cypress Court Project located at 1420 East Ocean Avenue

Recommendation:

Staff recommends the City Council take the following actions:

- 1) Open the public hearing and receive public testimony, and
- 2) Modify or remove Condition of Approval P6 from Conditional Use Permit 08-05, pertaining to the existing Cypress Court Project, which allows only sales tax generating uses on the first floor of a previously constructed 12,000 square foot commercial building located at 1420 East Ocean Avenue (APN's: 085-600-002 and 085-600-005) in the Planned Commercial Development (PCD) zone, and
- 3) Direct staff to prepare a resolution reflecting the City Council's decision for adoption at the next City Council meeting; or
- 4) Provide other direction.

Background:

The Cypress Court Development is located at 1420 East Ocean Avenue (Attachment 1) and was originally approved by the City Council in April 2009 as a phased project with commercial and residential uses. The property is located in the Planned Commercial Development zone (Attachment 2). The property was originally located and built in the Commercial Office (CO) zone but the properties are now divided between two zoning districts (Attachment 2) with the front half containing an existing vacant commercial building located in the Planned Commercial Development (PCD) zone and the back half containing existing residential apartments fronting Seventh Street located in the Mixed Use (MU) zone. Although on a separate lot and located in a different zoning district, the

fully occupied 60-unit affordable senior apartment complex built in 2013 is located adjacent to the existing vacant commercial building ("Building 2" shown in Attachment 3, Site Plan).

After the original approval of CUP 08-05, amendments to the project phasing were approved in February 2012 and additional amendments approved in March 2012 as part of Resolution No. 5775(12) which placed use restrictions on the first floor of the approved Commercial Building ("Building 3" shown in Attachment 3, Site Plan) to be constructed prior to occupancy of the senior apartment complex (see Condition of Approval P6 in Attachment 6).

The land use restriction condition (Planning Division Condition P6) contained within CUP 08-05 states:

"The uses permitted on the first floor of the 12,000 square-foot commercial building shall be limited to uses that are sales tax generating. That condition shall remain in effect until a commercial building of at least 6,000 gross leasable square feet is constructed on the property, fronting onto Ocean Avenue and Seventh Street on the north east corner of the Cypress Court project site. If a smaller gross leasable building is constructed at that location, then the restriction shall remain in place for the square footage difference between that smaller footprint that has been constructed and 6,000 square feet."

It should be noted that when the City Council placed the land restriction on the property, it also amended CUP 08-05 to delete from the project a 2,500 square foot commercial building planned at the north east corner of the site. Therefore, the revised site plan attached to Resolution No. 5775(12) excludes that building. With the current property configuration (based on the driveway location off of East Ocean Avenue), there is no room for the construction of a 6,000 square foot building as required in Condition P6.

Although the land use restriction is still in place for the bottom floor (approximately 6,000 square feet), City staff continues to receive interest from the general public and prospective tenants over the last 6 to 8 years who would like to use the commercial building for general office and/or medical uses. In addition, staff reached out to the property owner in writing on November 29, 2021, and recently spoke with the owner's representative (Mike McAllister) who has communicated to staff in writing (Attachment 4) that the property owner supports removing the Condition of Approval that limits uses on the first floor of the commercial building to sales tax generating uses.

Discussion:

To date, the 12,000 square foot 2-story commercial building built in May 2013 (Attachment 5) remains vacant and stands as a shell building only with limited interior improvements (a portion of the building interior walls remain unfinished) and contains only a dirt floor.

The previous use that occupied the site was a bowling alley, which generated sales tax prior to the construction of a Senior Apartment complex (Cypress Court located at 125 South Seventh Street) and the commercial building.

The exact amount of sales tax lost as a result of this development has not been determined at this time but staff believes the creation of new jobs and filling a vacant building would outweigh the benefits of additional sales tax at a location which lacks visibility and does not front Ocean Avenue. Therefore, staff is bringing this item to the City Council for consideration of a modification or removal of this condition contained within Resolution No. 5775(12) shown in Attachment 6.

Environmental Review:

Removal of Condition of Approval P6 is exempt from environmental review pursuant to Section 15061(b)(3) (the “common sense” exemption) of the California Environmental Quality Act Guidelines because it can be seen with certainty there is no possibility it may have a significant effect on the environment.

Fiscal Impact:

This discussion and potential amendment to a previously approved permit was City initiated and is being processed/funded by existing budgeted staffing levels. Therefore, there is no additional fiscal impact to the General Fund as a result of processing a potential amendment to CUP 08-05.

Conclusion:

Staff supports amending CUP 08-05 to modify or remove a Condition of Approval (Planning Condition P6) which requires sales tax generating uses on the first floor within the Cypress Court project located at 1420 East Ocean Avenue.

Respectfully submitted,

Brian Halvorson, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Christie Alarcon, Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments:

- 1) Vicinity Map
- 2) Zoning Map
- 3) Site Plan
- 4) Letter from Property Owner
- 5) Vacant Cypress Court Commercial Building (Exterior)
- 6) Resolution No. 5775(12) modifying CUP 08-05