

Lompoc City Council Agenda Item



City Council Meeting Date: January 19, 2016

TO: Patrick Wiemiller, City Manager

FROM: Lucille T. Breese, AICP, Planning Manager
l_breese@ci.lompoc.ca.us

SUBJECT: An Appeal Submitted by Jim White, Representing the Lompoc Valley Medical Center (LVMC), of the Planning Commission Determination of November 18, 2015, Denying Modifications to Conditions of Approval for Conditional Use Permit (CUP 08-05) and Development Review Permit (DR 15-15) for the Construction of an 84-Space Parking Lot at 111 North Seventh Street

Recommendation:

Staff recommends the City Council:

- 1) Hold the public hearing;
- 2) Consider the material presented in the staff report; and
- 3) Direct staff to prepare a resolution, with appropriate Findings of Fact, affirming, reversing, or modifying the decision of the Planning Commission.

Background/Discussion:

On November 23, 2015, a timely appeal requesting City Council review of the Planning Commission action of November 18, 2015, was filed by Jim White, representing Lompoc Valley Medical Center (LVMC) (Attachment 1). Mr. White has requested that the City Council: delete the portion of Condition of Approval (COA) P-6, which limits the first floor to sales tax generating uses; allow medical clinic uses in the building; and allow required parking to be provided at 111 North Seventh Street.

On November 18, 2015, the Planning Commission adopted:

- Resolution No. 820(15) denying amendments to the COA for Conditional Use Permit (CUP 08-05) approving the Cypress Court Development, City Council Resolution No. 5775(12) imposed COA "P-6" limiting the first floor of the 12,000 square foot commercial building to "sales tax generating" uses at 1420 East Ocean Avenue (Assessor Parcel Number 085-150-017) (Attachment 2), and

- Resolution No. 821(15) denying Development Review Permit (DR 15-15) construction of a parking lot at 111 North Seventh Street (Assessor Parcel Number 085-150-087) (Attachment 3).

The Resolutions were adopted on a 4-0 vote, with Commissioner Cioni not participating.

On October 14, 2015, the Planning Commission held a public hearing to review a request from Jim White representing the LVMC, for a modification to the COA for CUP 08-05 and DR 15-15 for an 84-space parking lot to serve the proposed LVMC at 111 North Seventh Street.

The requested modification to CUP 08-05 was to delete part of COA P-6 of City Council Resolution No. 5775(12), which limits the first floor of the 12,000 square foot commercial building located at 1420 East Ocean Avenue to “sales tax generating” uses. This COA was imposed by the City Council when it approved the revised phasing and site plan for the Cypress Court development on March 20, 2012.

As a part of the proposal, DR 15-15 was requested to permit the construction of a parking lot with 80 standard parking spaces and four handicapped accessible spaces. Access was provided by two driveways on North Seventh Street. A lighting and landscaping plan was submitted with LED light fixtures shielded to prevent glare, and landscaping consisting of drought-tolerant trees and shrubs.

The Planning Commission staff report dated October 14, 2015, reviews CUP 08-05’s chronology before the Planning Commission and City Council and discusses the project conformance with adopted City policies. (The Planning Commission staff report without attachments and Site Plan are included as Attachments 4 and 5.) In addition, as supplemental information, a letter from adjacent property owner, Dr. Harris, was provided to the Planning Commission (Attachment 6).

After reviewing the staff report, taking public testimony, and discussing the proposal with the Applicant, the Planning Commission determined the proposal would not be compatible with existing uses in the area. The Planning Commission reviewed the applicant’s request and had the following concerns: the safety of patients and employees crossing the street from the parking lot to the proposed medical facility; the location of the proposed parking lot; and the project’s potential impacts to the existing neighborhood. Staff was directed to return with resolutions for denial at the November 18, 2015, Planning Commission hearing. (The minute excerpts of the October 14, 2014, Planning Commission are included as Attachment 7.)

Section 17.006.030D of the Zoning Ordinance provides the City Council shall affirm, reverse, or modify the decision of the Planning Commission.

Fiscal Impact:

The City received a \$257.80 fee to process the appeal, while direct Planning costs attributable to the appeal are approximately \$1,800. The net cost reduces the availability of Planning staff for other activities and projects. Removal of the limitation for “sales tax generating use” from CUP 08-05 may result in lost opportunities of future sales tax to the General Fund if the building were ever to become occupied. However more immediately it will lead to greater economic impact in the community by turning a vacant building into viable medical offices, creating jobs and circulating more dollars in the community through purchasing of supplies and services. Many medical offices also have commercial sales components, such as optometrists and dermatologists. As the property is currently vacant, there is not any generation of sales subject to sales tax.

In addition to the potential lost opportunity of sales tax revenues at the location from the removal of the “sale tax generating use,” as a governmental entity, LVMC has the ability to request Santa Barbara County to remove the 1420 East Ocean Avenue commercial property from the property tax rolls if it becomes the owner of the property. The most recent assessed value of the property is \$1,422,868 for the 2014-15 property tax year. The property is in Tax Rate Area 1034 which provides an allocation of the Proposition 13 1% tax to the City of 16.728%. The remaining taxing entities, including the Lompoc Healthcare District, receive 83.272% of the 1% property taxes assessed against the property. Based on the assessed value, the City currently receives about \$2,380 annually in property taxes of the full \$14,229 of property taxes assessed against the property. If the property were to be taken off the tax rolls by Santa Barbara County at the request of the Lompoc Healthcare District, the City could lose approximately \$2,400 annually in property tax revenue.

The City has in-lieu agreements with other governmental agencies that have property in the City where the governmental agency has had their property removed from the tax rolls. These in-lieu agreements provide payments to the City equivalent to the property tax that would otherwise be assessed to offset the costs associated with properties such as public safety costs for police and fire services. Retaining the property tax revenue in an in-lieu agreement could potentially offset some or all the potential lost opportunity of sales tax revenue as well as the direct loss of property tax revenue, if the property is taken off the tax roll.

Conclusion:

The request being considered by the City Council is whether the Planning Commission action and the findings of fact were appropriate. A facility at another location would require a new application, review, analysis, and notice to adjacent property owners.

Respectfully submitted,

Lucille T. Breese, AICP, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Teresa Gallavan, Economic Development Director/Assistant City Manager

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Patrick Wiemiller, City Manager

- Attachments:
- 1) [Notice of Appeal](#)
 - 2) [Planning Commission Resolution No. 820\(15\)](#)
 - 3) [Planning Commission Resolution No. 821\(15\)](#)
 - 4) [Planning Commission Staff Report dated October 14, 2015](#)
(without attachments)
 - 5) [Site Plan](#) (City Council only, available in Planning Division for review)
 - 6) [Supplemental Information](#) – Letter from Dr. Harris
 - 7) [Minute excerpts of October 14, 2014, Planning Commission Meeting](#)