

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT PLANNING STAFF REPORT

AGENDA ITEM NO.: 1.a.	SITE LOCATION: East side of Euclid Street, south of Acacia Parkway at 12900 Euclid Street
HEARING DATE: September 12, 2019	GENERAL PLAN: Civic Center Mixed Use
CASE NO.: Site Plan No. SP-044-2017 (REV. 2019) and Variance No. V-024-2019	ZONE: CC-3 (Civic Center Core)
APPLICANT: SteelCraft Garden Grove L.P.	CEQA DETERMINATION: Exempt
PROPERTY OWNER: City of Garden Grove	APN: 090-164-37

REQUEST:

A request for minor modification to the approved plans under Site Plan No. SP-044-2017, for SteelCraft, to allow: (i) an approved bike rack/locker, located along the Euclid Street frontage, to be converted to a retail tenant space; and (ii) to modify a portion of the approved perimeter fence around the establishment, by extending the fence height to eight feet, for security purposes during non-business hours. Also, a request for Variance approvals: (i) for a deviation from the front setback requirement to allow the use of a container, which was originally approved as a bike rack/locker, for use as a retail tenant space, within a portion of the front setback area along the Euclid Street frontage; and (ii) for a deviation from the maximum fence height requirement to allow a portion of the eight-foot high perimeter fence to be located within the front setback area.

BACKGROUND:

The subject property is currently a 1.86-acre vacant City-owned lot, located on the east side of Euclid Street, south of Acacia Parkway. The property has a General Plan Land Use Designation of Civic Center Mixed Use and is zoned CC-3 (Civic Center Core). The property is adjacent to the Community Center Park, the Garden Grove Fire and Police Departments, City Hall, and various office buildings with CC-3 zoned properties to the east, south, and to the west, across Euclid Street, and CC-OS (Civic Center – Open Space) zoned properties to the north, across Acacia Parkway.

In 1977, the Garden Grove Planning Commission approved Site Plan No. SP-188-77, to allow the construction of an approximately 10,940 square foot restaurant pad building on the subject property. In 1978, the newly constructed building was occupied by a restaurant, Black Angus Steakhouse, until it closed its business in

2002, and remained vacant following its closure. In 2014, a demolition permit was obtained and all existing improvements were removed from the property. The property has remained vacant ever since.

On June 16, 2017, the Garden Grove City Council unanimously approved a long-term ground lease agreement with SteelCraft Long Beach L.P. ("SteelCraft") for the subject vacant property.

On November 16, 2017, the Garden Grove Planning Commission approved Site Plan No. SP-044-2017, Variance No. V-017-2017, and Conditional Use Permit No. CUP-116-2017, to: (i) allow the development of a food-focused multi-tenant project, known as SteelCraft, which included a proposal to construct a new 9,532 square foot two-story building, consisting primarily of recycled and re-purposed metal shipping containers, along with other associated site improvements; (ii) to deviate from the maximum setback requirement, along the Euclid Street frontage, and from the minimum ground floor height requirement for commercial ground floor spaces; and (iii) to allow entertainment and/or alcohol sales or consumption within the communal dining areas of the SteelCraft development.

DISCUSSION:

SITE PLAN:

The applicant is requesting approval for a minor modification to the approved plans, approved under Site Plan No. SP-044-2017, to allow two (2) minor changes: (i) an approved bike rack/locker, located along the Euclid Street frontage, to be converted to a retail tenant space; and (ii) to modify a portion of the approved perimeter fence around the establishment, by extending the fence height to eight feet, for security purposes during non-business hours. Pursuant to Condition of Approval No. 3, under SP-044-2017, the Community and Economic Development Director has determined that the proposed changes to the approved plans are minor. Additionally, the Municipal Code authorizes the Zoning Administrator to review and approve the modification to the approved plans and the proposed variances.

Conversion of Bike Rack/Locker to Retail Tenant Space:

The original approved plans, under SP-044-2017, included a decorative bike rack/locker to be constructed 8'-5" away from the property line (back of sidewalk along Euclid Street). The bike rack/locker, comprised of an eight foot (8'-0") by twenty foot (20'-0") standard sized shipping container, was provided to comply with the California Building Standards Code ("building code") requirement for bike rack accommodation. At the time of the writing of this staff report, the SteelCraft development is currently under construction, and the bike rack/locker (shipping container) had been located on-site, per the approved plans.

It should be noted, the front building setback requirement to the westerly property line (per the CC-3 zone), facing Euclid Street, is a minimum of fifteen feet (15'-0"). The bike rack/locker was not deemed a building, given that: (i) the intended use and function is a decorative/artistic bike rack/locker; (ii) the bike rack/locker does not include electrical, gas, or water utilities as a building typically would; and (iii) the bike rack/locker is not considered a building with a specific occupancy class per the building code. Therefore, the bike rack/locker was not subject to the minimum *building* setback requirements. The applicant is requesting to convert the bike rack/locker shipping container to a retail tenant space, which will include a storefront window system with window mullions, an entry door, and other associated improvements to function as a commercial space. Per the building code, the converted shipping container (into a commercial retail tenant space) is now deemed a building, which triggers the requirement to comply with all applicable standards of the building code, for a commercial space. In order to comply with the building code requirement for bike rack accommodation, the applicant will install new bike rack(s) on-site (location to be determined and subject to review and approval by the Building and Safety Division), pursuant to Condition of Approval No. 8, which requires that long-term and short-term bicycle parking shall be provided per the California Green Code.

Parking:

Under SP-044-2017, pursuant to the applicable parking requirements of the Municipal Code, the minimum number of parking spaces required for the SteelCraft development was 76 parking spaces. The development provides 115 parking spaces, which is a surplus of 39 parking spaces. The increase in parking demand from the additional commercial space (8' x 20' container – 160 square feet), is expected to be minimal, requiring one (1) additional parking space. Therefore, a surplus of 38 parking spaces for the development remains.

Increase in Height of Perimeter Fence:

Under the approved plans for SP-044-2017, and through the use of perimeter barriers (i.e., fences), connected container structures, and monitored entrances and exits, the entire SteelCraft development was designed as a confined and controlled space. The bulk of the perimeter barriers, toward the rear of the property, are comprised of the connected container structures. The front areas of SteelCraft, facing Euclid Street, includes an open garden area, covered and uncovered communal outdoor seating/dining areas, and the bike rack/locker, which is currently proposed to be converted into a retail tenant space. These front areas were approved to be surrounded by perimeter barriers comprised of a three-foot (3'-0") high fence. The applicant has expressed concerns with securing the interior areas of SteelCraft (i.e., from dumping, loitering, etc.), as well as the entrance to the newly converted retail tenant space, during late/non-business hours, and is proposing to: (i) extend the height of the perimeter fence, within this front area of SteelCraft, from three feet (3'-0") to eight feet (8'-0"); and (ii) to extend a small portion of the perimeter fence

into the front 15'-0" setback area, in order to secure the new entry door on the south side of the newly converted retail tenant space/container. It should be noted, the majority of the 8'-0" high perimeter fencing is located outside of the front 15'-0" setback area, which is permissible by Code and is not subject to the maximum three foot (3'-0") height limitation. Only a small portion (15'-0" length) of the perimeter fencing will encroach the front 15'-0" setback, where the maximum three foot (3'-0") height limitation is applicable. The proposed design, and height, of the perimeter fencing will continue to maintain the intended architectural design and aesthetic for the SteelCraft development as originally considered and approved by the Planning Commission. Additionally, the new design will incorporate the installation of operable open mesh windows (similar to window shutters), which will kept open during open business hours. This window design is consistent with the architectural design and elevations of the original SteelCraft development in Long Beach, CA.

VARIANCE:

FINDINGS REQUIRED TO APPROVE VARIANCE:

In order for the proposed Project to move forward, the applicant is requesting consideration for the approval of two (2) Variances:

(i) A Variance from sub-section A, Required Setbacks, as set forth in Figure 9.18-8, under Section 9.18.090.030, Civic Center Zone Development Standards, of Title 9 of the Municipal Code, for a deviation to the minimum 15'-0" setback requirement along the Euclid Street frontage, in order to allow an 8'-5" setback to the retail tenant space/building, comprised of a shipping container; and

(ii) A Variance from subsection 9.18.130.010.A, Location and Height, under Section 9.18.130, "Walls, Fences, and Hedges", of Title 9 of the Municipal Code, for a deviation to the maximum height requirement of 36 inches for any wall, fence, or hedge located within a required front yard setback, in order to allow a portion of the perimeter fencing, which lies within the front 15'-0" setback area, at a height of eight feet (8'-0"). The portion of the eight-foot high fence will have a setback of 8'-5" from the westerly property line, facing Euclid Street.

Pursuant to State law and Garden Grove Municipal Code Section 9.32.030.D.6, in order to grant a property owner's request for a Variance, the Planning Commission must make each of the following five (5) findings:

1. That there are exceptional or extraordinary circumstances or conditions applicable to the property or to the intended use or development of the property that do not apply generally to other property in the same vicinity or zone.

Traditionally, and prior to the establishment of the Mixed Use zones in 2012, commercial development in the City typically provided for a 15'-0" front

landscaped planter, a large parking lot at the front of the property, and the commercial building(s) located toward the rear of the property set back a significant distance away from any public right-of-way. Today, development standards of the Mixed Use Code foster the development of pedestrian-scaled environments with buildings that provide exciting access, well-designed landscaping, and pedestrian amenities that foster interaction. Along the Euclid Street frontage, the minimum building setback is 15'-0", and the maximum building setback is 20'-0". In other areas of the Civic Center zones, the minimum and maximum setbacks are as low as 0'-0" and 5'-0", respectively. These established thresholds are in place to ensure that any future commercial buildings/structures maintain close proximity to public sidewalks and public rights-of-ways, which would allow for more effective pedestrian-oriented developments. This is further achieved through other typical requirements in the Mixed Use Code, which include, but are not limited to, provisions for plaza areas, pedestrian pathways connections, public amenities, outdoor vending kiosks, and enhanced site improvements (e.g., directional signage, landscaping, vegetation). The intent of the specified setbacks, along with other development standards of the CC-3 zone, are to encourage the development of uses that create walkable and lively environments that are pedestrian-oriented.

There are exceptional or extraordinary circumstances or conditions applicable to the intended use and development of the property that do not apply generally to other property in the same zone or neighborhood. The SteelCraft development is unique, functioning as an outdoor urban eatery providing space for local artisan food vendors, and also includes outdoor communal dining areas, entertainment, incubator office space, and micro-retail space. Additionally, the construction medium and building method is further unique. The primary source of construction material is comprised of recycled and re-purposed metal shipping containers, which are typically a fixed size of 8'-0" (wide) by 20'-0" (length) with a 9'-0" height. The construction method for SteelCraft is atypical and not similar to a standard brick and mortar design. The applicant has worked within the constraints of the fixed size of the shipping containers and has proposed a design that meets the intent of design requirements of the CC-3 zone. Furthermore, the applicant has also incorporated pedestrian-friendly elements at the front of the development, along Euclid Street, such as a garden, convertible outdoor communal dining areas/event space, and enhanced pedestrian linkages to the public right-of-way. SteelCraft's combination of indoor and outdoor spaces are unique and require additional levels of security not common with other types of retail development, which are typically fully enclosed buildings. Other typical retail establishments have activities that occur within the wholly enclosed building. SteelCraft's unique operation/development includes various outdoor improvements, furniture, garden areas, and other outdoor spaces that require additional levels of security in regards to trespassing, which other typical retail establishments are not exposed to. The variance request is to

allow a small portion of the perimeter fence (15'-0" in length), which lies within the front 15'-0" setback area, to maintain a height of eight feet (8'-0"), which is five feet (5'-0") above the maximum height allowed for a fence, wall, or hedge within the front setback area. The remaining perimeter fence is located outside of the front setback area, where it is not subject to the maximum three foot (3'-0") height limitation, and is permitted to go up to a maximum height of eight feet (8'-0"). The extended height will provide additional security while maintaining the open space feel. Additionally, the new design will incorporate the installation of operable open mesh windows (similar to window shutters), which will be kept open during open business hours and closed during non-business hours. The operable open mesh windows will further enhance the front areas of SteelCraft facing the public right-of-way and establish a more pedestrian-oriented environment, which is a primary goal of the Civic Center Mixed Use zone.

Under the original approval of Site Plan No. SP-044-2017 and Variance No. V-017-2017, the main SteelCraft building was approved to provide a 52'-9" setback to the Euclid Street frontage, which exceeds the minimum setback (15'-0"), but exceeds the maximum setback (20'-0") by 32'-9". The main building has been set back 52'-9", beyond the maximum 20'-0" setback, due to several public utility easements, which run north and south along the westerly property line and lie within the first 50'-0" of the property. There are multiple easements that overlap each other, in this front area of the property, that range from 6'-0" and up to 30'-0" in width. The developer of SteelCraft was restricted from placing any structures over and across any of the existing easements, thereby rendering the front 50'-0" of the property virtually undevelopable. As such, the main SteelCraft building maintains its required clearance from the utility easements and is setback 2'-9" from the edge of the innermost easement.

As part of the approved project under SP-044-2017, a bike rack/locker was located in the front area of the property, along the Euclid Street frontage, and within a small pocket between, but not encroaching across any, existing easements. At the time, the bike rack/locker was not deemed a building that would be subject to any required building setbacks (i.e., the front 15'-0" setback). However, as part of this application, the applicant has proposed to convert the bike rack/locker shipping container into a fully improved commercial retail tenant space, which is now deemed a building that would be subject to the minimum front 15'-0" setback. The Variance request is for a deviation to the minimum 15'-0" setback requirement along the Euclid Street frontage, in order to allow an 8'-5" setback to the retail tenant space/building. While the primary (large) SteelCraft building will continue to maintain its current approved setback of 52'-9", due to the presence of utility easements along the property's frontage, SteelCraft's purpose through this variance request is to make further efforts to meet the intent of the Civic Center Core zone, which strives to create walkable and lively environments that are

pedestrian-oriented. As mentioned prior, the intent of the specified setbacks (minimum 15'-0" and maximum 20'-0") is to bring buildings and activities closer to the public right-of-way by creating pedestrian-oriented environments. The proposal to convert the bike rack/locker into a commercial retail tenant space achieves such goals, and meets the intent of the Civic Center Core zone by further activating the front area of the SteelCraft development.

The presence of the utility easements present an exceptional or extraordinary circumstance or condition applicable to the property involved or to the intended use of the development of the property that does not apply generally to other property in the same zone or neighborhood. The majority of properties in the same Civic Center zones, and/or within the same vicinity of the property, do not typically have a utility easement(s) that occupies the entirety, or even a portion of, the front setback areas of the property. Additionally, SteelCraft is unique its construction and operation, which is different than other typical retail type establishments in the City. Besides the requested deviation to the minimum front setback, to allow the conversion of the bike rack/locker into a commercial tenant space, and the deviation to allow a portion of the perimeter fence within the front setback to maintain a height of eight feet (8'-0"), the proposed modification to the approved plans complies with all other development standards of the Mixed Use Code.

2. That such Variance is necessary for the preservation and enjoyment of a substantial property right possessed by other property in the same vicinity and zone, but which is denied to the subject property.

There are other similar properties in the immediate vicinity, within the same zone, or other similar zoned properties throughout the City, that: (i) have existing structures which do not comply with the minimum 15'-0" front setback requirement along the Euclid Street frontage; and (ii) have fences, walls, and/or hedges within the front setback areas that exceed 36 inches in height. Approval of the proposed Variance will not set a precedent and will allow the applicant to enjoy a substantial property right possessed by other property owners located on other similar properties in the immediate vicinity, within the same zone, and other similarly zoned properties throughout the City. Besides the requested deviation to the minimum front setback, to allow the conversion of the bike rack/locker into a commercial tenant space, and the deviation to allow a portion of the perimeter fence within the front setback to maintain a height of eight feet (8'-0"), the proposed modification to the approved plans complies with all other development standards of the Mixed Use Code.

3. That the granting of a Variance will not be materially detrimental to the public welfare or injurious to the property or improvements in such zone or neighborhood in which the property is located.

The unique development and operation of the SteelCraft establishment presents additional concerns and issues with securing the property that are not common for other typical retail establishments in the City. Approval of the requested variances will allow the development to further meet the intent and goals of the CC-3 zone, which strive for pedestrian-oriented environments, as well as providing additional security measures during non-business hours. Additionally, site constraints resulting from existing utility easements prevent development of the site in a manner that strictly meets the minimum and maximum building setback requirements of the CC-3 (Civic Center Core) zone, for which the variance to the minimum setback is requested for the bike rack/locker to be converted into a retail tenant space. Provided the project complies with the Conditions of Approval under SP-044-2017, including any new or modified conditions approved under SP-044-2017 (REV. 2019), the approval of the Variances will not create an adverse effect on the public welfare or to properties or improvements in such vicinity and zone in which the property is located. With the exception of the two (2) requested Variances, the proposed modification to the approved plans meets all development standards of the CC-3 (Civic Center Core) zone. The proposed Variances will not be materially detrimental to the public welfare or injurious to the property or improvements in such zone or neighborhood in which the property is located.

4. That the granting of such Variance will not adversely affect the City's General Plan.

There are no proposed changes to the operation of SteelCraft, and the anticipated uses and activities are consistent with the intent of the General Plan and the zoning classification as multi-tenant commercial developments with restaurants, office uses, and entertainment and/or alcohol sales or consumption are permitted and conditionally permitted in the CC-3 (Civic Center Core) zone. The proposed Variance request will not cause an adverse effect on the City's General Plan since the Municipal Code is a tool used to implement the goals of the General Plan. Approval of the requested variances will allow the development to further meet the intent and goals of the CC-3 zone, which strive for pedestrian-oriented environments, as well as providing additional security measures to secure the site during non-business hours.

5. That approval of the Variance is subject to such conditions as will assure that it does not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and zone in which the subject property is situated.

Provided the Conditions of Approval, including those conditions originally approved under SP-044-2017, are adhered to for the life of the project, approval of the subject Variances will not grant a special privilege that is inconsistent with the limitations upon other properties located within the

vicinity or zone in which the subject property is situated. In addition, pursuant to Condition of Approval No. 2, the rights granted to the applicant pursuant to Variance No. V-024-2019 shall continue in effect for only so long as the improvements authorized and contemplated by Site Plan No. SP-044-2017 and Site Plan No. SP-044-2017 (REV. 2019), and the Conditions of Approval continue to exist on the Site. In the event these improvements authorized and contemplated by Site Plan No. SP-044-2017 and Site Plan No. SP-044-2017 (REV. 2019) are not constructed or are demolished and not re-established, Variance No. V-024-2019 shall cease to be effective or to grant the applicant any rights to construct other improvements inconsistent with the then-currently applicable development standards. Any future use or development on the Site different from that described in the Site Plan approved concurrently with the Variance will be required to comply with all applicable standards of the Garden Grove Municipal Code, and the applicant may not rely on this Variance as a basis for an approval to deviate from the minimum setback, along the Euclid Street frontage, or to deviate from the maximum height for walls, fences, and hedges in the front setback area, with such future use or development.

There are other similar properties in the immediate vicinity, within the same zone, or other similar zoned properties throughout the City, that: (i) have existing structures which do not comply with the minimum 15'-0" front setback requirement along the Euclid Street frontage; and (ii) have fences, walls, and/or hedges within the front setback areas that exceed 36 inches in height. Approval of the proposed Variance will not set a precedent and will allow the applicant to enjoy a substantial property right possessed by other property owners located on other similar properties in the immediate vicinity, within the same zone, and other similarly-zoned properties throughout the City. Besides the requested deviation to the minimum front setback, to allow the conversion of the bike rack/locker into a commercial tenant space, and the deviation to allow a portion of the perimeter fence within the front setback to maintain a height of eight feet (8'-0"), the proposed modification to the approved plans complies with all other development standards of the Mixed Use Code.

Staff believes the record contains sufficient facts to support approval of the applicant's Variance request. Accordingly, Staff has prepared for consideration a draft decision approving the proposed Variance request, subject to the specified Conditions of Approval.

All Conditions of Approval, approved under Site Plan No. SP-044-2017, Variance No. V-017-2017, and Conditional Use Permit No. CUP-116-2017, and contained in Resolution No. 5905-17, shall remain in full force and effect, except as modified in the Conditions of Approval under SP-044-2017 (REV. 2019).

RECOMMENDATION:

Staff recommends that the Zoning Administrator take the following actions:

1. Adopt Decision No. 1785-19 approving Site Plan No. SP-044-2017 (REV. 2019) and Variance No. V-024-2019, subject to the recommended Conditions of Approval.

LEE MARINO
Planning Services Manager

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