

REQUEST FOR Planning Commission Action



PLANNING COMMISSION MEETING DATE:

AUGUST 24, 2020

TITLE:

**PUBLIC HEARING – VARIANCE NO. 2020-01 TO
ALLOW A REDUCTION IN REQUIRED SETBACKS
FOR FARMERS & MERCHANTS BANK AT
1702 NORTH MAIN STREET – LESLIE GENTILE,
APPLICANT**

PLANNING COMMISSION SECRETARY

APPROVED

- As Recommended
- As Amended
- Set Public Hearing For _____

DENIED

- Applicant's Request
- Staff Recommendation

CONTINUED TO _____

Prepared by Pedro Gomez, AICP

Executive Director

Planning Manager

RECOMMENDED ACTION

Adopt a resolution approving Variance No. 2020-01 as conditioned to allow for a reduction in required setbacks.

Executive Summary

Leslie Gentile, representing Farmers & Merchants Bank, is requesting approval of a variance to facilitate construction of a new commercial building at 1702 North Main Street. Specifically, the applicant is requesting a variance from Santa Ana Municipal Code (SAMC) Sections 41-368, 41-369, and 41-372 to reduce the required front and side yard and landscape area setbacks. Staff is recommending approval of the variance to allow for construction of a new building and because the site has been designed to minimize impacts to adjacent streets, properties, and any nearby sensitive land uses.

Table 1: Project and Location Information

Item	Information	
Project Address	1702 North Main Street	
Nearest Intersection	Main and Seventeenth streets	
Surrounding Land Uses (Exhibit 1)	North	Commercial
	East	Commercial
	South	Multi-Family Residential and Commercial
	West	Commercial
General Plan Designation	General Commercial (GC)	
Zoning Designation	Community Commercial Museum District (C1-MD)	
Property Size	19,708 sq. ft. (0.45-acres); 17,859 sq. ft. (0.41-acres) after dedication	
Existing Conditions	5,840-square-foot, two-story multi-tenant commercial building	
Development Standards	SAMC Sections 41-366 through 41-374	
Use Permissions	SAMC Sections 41-369, 41-372 (a) and 41-375	

Project Description

The applicant is proposing to demolish an existing 5,840-square-foot two-story, multi-tenant commercial building and to construct a new multi-tenant building for Farmers & Merchants Bank and a second future tenant. The project includes construction of a 5,995-square-foot single-story building, 26 off-street parking spaces, and site improvements that include landscaping, a hookup for electric vehicle charging, and a refurbished trash enclosure. Because the existing trash enclosure already meets the City’s size and location requirements, it will be refurbished to include resurfacing of the block walls and enclosure doors, fresh paint, and decorative landscaping/vines. A new planter area will also be constructed around the enclosure, providing enhanced landscaping including shrubs and groundcover which will provide additional screening. These improvements will enable the enclosure to meet current City design guidelines and requirements. The project will utilize an existing driveway on Main Street that serves the project site and an existing public alleyway that provides access from 17th Street and 18th Street. The bank will include a walk-up ATM and a night depository/secured drop box on the exterior. The proposed branch hours are Monday through Thursday 9:00 a.m. to 5:00 p.m. and Friday from 9:00 a.m. to 6:00 p.m. No weekend operations are proposed at this time.

The project will feature contemporary architecture with precast concrete panels, a glass curtain wall system, a dark bronze metal roof, metal canopies, and smooth, commercial-grade stucco finishes. In addition, the building will feature a 23-foot tall “brand wall” along the north elevation which will feature Farmers & Merchants Bank’s “F&M” business logo, enhancing the building’s contemporary design and street presence. The building’s south elevation will be enhanced with a floor-to-ceiling glass curtain wall system, featuring an evergreen glass consistent with Farmers & Merchants Bank’s brand, providing an overall enhanced design along the Main and 17th intersection. Although not proposed at this time, signage for the second tenant will meet the City’s sign ordinance requirements which allow up to two signs for a leasable tenant space, if the space faces a public street and on-site parking area. Table 2 below provides a detailed comparison of the project’s compliance with the applicable land use and development standards.

Table 2: Development Standards

Standard	Required by Community Commercial Museum District (C1-MD) Zone	Provided
Front and street side yard setback, and required landscaping within said required yards	15 feet minimum	Does not comply: 8 feet after dedication – variance required
Rear yard setback	0 feet minimum	Complies: 65 feet
Lot Size & Frontage	15,000 sq. ft. and 120 feet	Complies: approximately 19,708 sq. ft. or 17,859 sq. ft. (after dedication) and 120 feet
Building height	35 feet maximum	Complies: 23 feet
Parking	26 Spaces	Complies: 26 spaces
Floor Area Ratio (FAR)	0.5-1.0 FAR maximum	Complies: 0.34 FAR

Project Background and Chronology

The existing commercial building currently contains a variety of professional office and service uses, including Liberty Tax Services. The building was originally constructed in 1955 for the Mission Savings and Loan Company. Mission Savings and Loan continued to occupy the building until 1970 when Trans American Title Company became the main tenant. Trans American vacated shortly after and Anvil Thrift, a thrift and loan company, moved to the site in 1974. Since 1974, the building has contained multiple businesses, including real estate and law offices, auto and leasing sales offices, retail, and service uses.

In 1960, the building underwent non-structural interior alterations and was expanded by an unknown square footage. The building was later modified an additional time in 1966, and in 1974 after street widening improvements along Main Street. In 1993, the building underwent the last of the major alterations, which included interior rehabilitation of the first floor, a complete storefront replacement, and the enclosing of existing stairwells and construction of two new exterior staircases that are still utilized today.

Site Impacts from One Broadway Plaza

In 2004, the City Council approved several entitlements to allow the construction of the One Broadway Plaza tower at 1109 North Broadway with additional entitlement modifications approved in 2020. The entitlements included the certification of an environmental impact report (EIR) which determined that the implementation of the One Broadway Plaza project would impact two street segments and several intersections, including Main Street and 17th Street. As a result of these impacts, the EIR identified a mitigation measure requiring the dedication of land at the subject site (1702 North Main Street) for a southbound right-turn lane at the Main and 17th intersection.

Future improvements for the southbound right-turn lane would result in the widening of Main Street, the construction of new sidewalk, curb, gutter, pavement, and the relocation of the traffic signal along the Main Street and 17th Street frontages. It would also result in a loss of approximately 1,800 square feet to the project site. As a result, a variance to allow for a reduction in setbacks is required in order facilitate the construction of the proposed bank.

Project Analysis

Pursuant to SAMC Section 41-638, a variance application can be granted for relief from the development standards of the zoning district. Variances may be granted when it can be shown that there exists a special circumstance related to the property depriving of its uses that are afforded to other properties and that a variance is necessary for the preservation and enjoyment of substantial property rights, will not be detrimental to the public or surrounding property, and will not adversely affect the General Plan. In analyzing the variance request, staff believes that the following analysis warrants staff's recommendation of approval of the variance.

The proposed project will feature a 19-foot setback along Main Street and an 8-foot setback along 17th Street. This condition will remain until construction for One Broadway Plaza commences, which is not expected until sometime in 2021 at the earliest. However, once Main Street is widened to include the 11-foot dedication for the southbound right-turn lane, the site will contain 8-foot setbacks on both street frontages, resulting in a 7-foot deficiency from the required setback standards of 15 feet. Approval of the setback variance enables the project to be designed to ensure safe circulation for all types of vehicles and to meet the City’s off-street parking requirements and site circulation standards.

Without the reduction in setbacks, the project would need to be redesigned, resulting in several impacts to the feasibility of the site’s development. These impacts would include a loss of over half of its off-street parking spaces; a reduction in drive-aisle lane widths, creating onsite circulation hazards; and/or a smaller building footprint that would reduce the building’s interior floor area. The parcel’s compact size and the 11-foot dedication requirement justify the applicant’s request for a landscape setback variance.

Further, the Citywide Design Guidelines encourage new buildings to be located closer to streets in an effort to improve urban design and promote pedestrian activity. Specifically, Chapter 9 (Commercial Design Guidelines), Section 9.3.2 encourages buildings to be placed closer to street frontages, with parking areas behind. Placing the proposed building closer to the intersection of Main Street and 17th Street makes the site more pedestrian friendly and necessitates approval of the setback reduction in order to meet this design guideline. Conditions of approval have been added, along with a property maintenance agreement, to guarantee that the proposed used will not become a nuisance to any nearby sensitive residential properties or other commercial uses in the area.

Table 3: California Environmental Quality Act (CEQA) and Public Notification & Community Outreach

Strategic Plan Alignment, and Public Notification & Community Outreach		
California Environmental Quality Act (CEQA)		
CEQA Type	Section 15303 – Class 3 – New Construction	
Reason(s) Exempt or Analysis	This exemption applies to up to four commercial buildings not exceeding a cumulative total of 10,000 square feet in floor area on sites zoned for such use, if not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive.	
	The proposed project is a single building under 6,000 square feet in size that is not anticipated to use significant amount of hazardous substances, is not located within an environmentally sensitive area, and will have access to all necessary public services and facilities made available through the City of Santa and Orange County Fire Authority (OCFA). As a result, Categorical Exemption, Environmental Review No. 2020-25 will be filed for this project.	
Public Notification & Community Outreach		
Public Hearing	Site posting	A public notice was posted on the project site on August 14, 2020.
	Notification by mail	Notices were mailed to all property owners and occupants within 500 feet of the project site on August 14, 2020.

Strategic Plan Alignment, and Public Notification & Community Outreach		
	Newspaper posting	Newspaper posting was published in the Orange County Reporter on August 14, 2020.
Additional Measures	The Floral Park, Santa Ana Triangle, French Court, and Willard Associations were contacted. At the time this report was printed, no issues of concern were raised regarding this application.	

Economic Development Benefits

The project will generate property tax revenue, temporary jobs, permanent jobs, and services for the community. Property tax revenue will increase as the total net value of the property will increase after the building and improvements for the project are made. According to the most recent tax roll, the property was valued at \$1.66 million, resulting in approximately \$20,300 in annual property tax. Of this amount the City of Santa Ana receives approximately \$3,800. Upon completion, the property is estimated to be valued at \$3 million and generate over \$6,000 in property tax revenue for the City of Santa Ana. The construction of the project will require that over \$13,500 in permit fees be paid to the City. In addition, there will be temporary construction jobs as well as an estimated 10 full-time new job opportunities created at this specific location.

Conclusion

Based on the analysis provided within this report, staff recommends that the Planning Commission approve Variance No. 2020-01 as conditioned.



Pedro Gomez, AICP
 Associate Planner

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- Exhibits:
1. Variance Resolution
 2. Vicinity Zoning & Aerial View
 3. Site Plan
 4. Floor Plan
 5. Elevations
 6. Renderings

EXHIBIT 1

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RESOLUTION NO. 2020-xx

A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF SANTA ANA APPROVING VARIANCE NO.
2020-01 AS CONDITIONED TO ALLOW A REDUCTION IN
REQUIRED SETBACKS AT 1702 NORTH MAIN STREET

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF
SANTA ANA AS FOLLOWS:

Section 1. The Planning Commission of the City of Santa Ana hereby finds,
determines and declares as follows:

- A. Leslie Gentile, representing Farmers and Merchants Bank (“Applicant”), is requesting approval of Variance No. 2020-01 as conditioned, to allow for a reduction in required setbacks at 1702 North Main Street.
- B. Santa Ana Municipal Code (SAMC) Sections 41-368, 41-369 and 41-372 require a front yard and side yard setback of not less than 15 feet, and a 15-foot minimum landscape setback from front and street-side yards.
- C. In 2004, the City Council approved several original entitlements to allow the construction of the One Broadway Plaza tower at 1109 North Broadway with additional entitlement modifications approved in 2020. The certified environmental impact report (EIR) identified a mitigation measure requiring the dedication of land at the subject site (1702 North Main Street) for a southbound right-turn lane at the Main and 17th intersection.
- D. The future improvements for the southbound right-turn lane would result in the widening of Main Street, the construction of new sidewalk, curb, gutter, pavement, and the relocation of the traffic signal along the Main Street and 17th Street frontages. It would also result in a loss of approximately 1,800 square feet to the subject site.
- E. The Applicant is proposing a 19-foot setback from Main Street, which will be further reduced to 8 feet due to an 11-foot dedication for a southbound right-turn lane at the interaction of 17th Street and Main Street. In addition, the Applicant is proposing an 8-foot setback from 17th Street.
- F. Pursuant to SAMC Section 41-638, the Planning Commission is authorized to review and approve the variance for this project as set forth by the Santa Ana Municipal Code.
- G. On August 24, 2020, the Planning Commission held a duly noticed public hearing for Variance No. 2020-01.
- H. The Planning Commission of the City of Santa Ana has considered the information and determines that the following findings, which must be

established in order to grant Variance No. 2020-01, for a reduction in required setbacks as required by SAMC Section 41-638:

1. That because of special circumstances applicable to the subject property, including size, shape, topography, location or surroundings, the strict application of the zoning ordinance is found to deprive the subject property of privileges not otherwise at variance with the intent and purpose of the provisions of this Chapter.

There are special circumstances related to the existing size of the property. The property is located at the northwest corner of Main and 17th streets and contains 19,708 square feet. Due to an 11-foot dedication for a future southbound right-turn lane there would be a loss of approximately 1,800 square feet to the existing property size. In order to meet the City's minimum standards to ensure safe and efficient onsite circulation, the project necessitates the building be placed closer to the intersection, resulting in a loss of approximately seven (7) feet of setback on Main Street and 17th Street. Without the reduction in setbacks, the project would need to be redesigned, resulting in: a loss of over half of its off-street parking spaces; a reduction in drive-aisle lane widths, creating onsite circulation hazards; and/or a smaller building footprint, reducing the building's interior floor area. The parcel's compact size and the 11-foot dedication requirement justify the Applicant's request for a landscape setback variance. Further, the City's Citywide Design Guidelines encourage new buildings to be located closer to streets in an effort to improve urban design and promote pedestrian activity. Specifically, Chapter 9 (Commercial Design Guidelines), Section 9.3.2 encourages buildings to be placed closer to street frontages, with parking areas behind. Placing the proposed building closer to the intersection of Main and 17th necessitates approval of the setback reduction in order to meet this design guideline.

2. That the granting of a variance is necessary for the preservation and enjoyment of one (1) or more substantial property rights.

Granting this variance is necessary for the preservation and enjoyment of substantial property rights. In order to facilitate construction of a safe and efficient site that meets the City's access, circulation, and parking codes, a reduction in setbacks is required. Finally, the reduction enables the building to be located closer to the nearby street frontages, assisting with the project meeting City design guidelines that encourage buildings placed closer to streets.

3. That the granting of a variance will not be materially detrimental to the public welfare or injurious to surrounding property.

Granting this variance will not be detrimental to the public or surrounding properties. The Public Works Agency reviewed the proposed plans and did not identify concerns regarding the location of onsite circulation (drive aisles) and parking areas. The design of the driveways, drive aisles and parking areas are safe and practical and will not be detrimental to the public welfare or surrounding property.

4. That the granting of a variance will not adversely affect the General Plan of the city.

The variance for a setback reduction will not adversely affect the General Plan. The project is located in a General Commercial (GC) General Plan land use designation, which allows for commercial uses such as retail, service and banks and financial institutions. The project is consistent with several goals and policies of the General Plan, including the Economic Development Element, Land Use Element, and Urban Design Element. Land Use Element Goal 1 promotes a balance of land uses to address basic community needs. Policy 1.10, encourages the location of commercial centers at arterial roadway intersections in commercial districts. The project will provide for a new commercial building on two arterial streets. Land Use Element Goal 2 promotes land uses that enhance the City's economic and fiscal viability. Policy 2.9, supports developments that create a business environment that is safe and attractive. The Condition of Approval for property maintenance will maintain a safe and attractive environment in the community. Economic Development Element Goal 2 maintains and enhances the diversity of the City's economic base. Policy 2.3 encourages the development of mutually beneficial and supportive business clusters within the community. The project will provide a banking and financial establishment in an area that does not currently have one, thereby providing much needed community benefit. Urban Design Element Goal 1 improves the physical appearance of the City through development of districts that project a sense of place, positive community image and quality environment. Specifically, Policy 1.5 enhances architectural forms, textures, colors, and materials for all projects. The project will feature contemporary architecture with high quality materials, and feature a "brand wall" along the north elevation enhancing the building's contemporary design and street presence. The building's south elevation will be enhanced with a floor-to-ceiling glass curtain wall system

providing an overall enhanced design along the Main and 17th intersection.

Section 2. In accordance with the California Environmental Quality Act and the CEQA Guidelines, the project is exempt from further review per Section 15303 of the Guidelines. The Class 3 exemption applies to up to four commercial buildings not exceeding a cumulative total of 10,000 square feet in floor area on sites zoned for such use, if not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive.

The proposed project is a single building under 6,000 square feet in size, not anticipated to use significant amount of hazardous substances, is not located within an environmentally sensitive area, and will have access to all necessary public services and facilities made available through the City of Santa Ana and Orange County Fire Authority (OCFA). As a result, Categorical Exemption, Environmental Review No. 2020-25 will be filed for this project.

Section 3. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, referendum, and other proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively "Actions"), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

Section 4. The Planning Commission of the City of Santa Ana, after conducting the public hearing, hereby approves Variance No. 2020-01 to allow for a reduction in required setbacks, as conditioned in Exhibit A, attached hereto and incorporated as though fully set forth herein. This decision is based upon the evidence submitted at the above said hearing, which includes, but is not limited to: the Request for Planning Commission Action dated August 24, 2020, and exhibits attached thereto; and the public testimony, written and oral, all of which are incorporated herein by this reference.

ADOPTED this 24th day of August, 2020.

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTENTIONS: Commissioners:

Mark McLoughlin
Chairperson

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: _____
Lisa E. Storck
Assistant City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, SARAH BERNAL, Recording Secretary, do hereby attest to and certify the attached Resolution No. 2020-xx to be the original resolution adopted by the Planning Commission of the City of Santa Ana on August 24, 2020.

Date: _____

Recording Secretary
City of Santa Ana

EXHIBIT A

Conditions of Approval for Variance No. 2020-01

Variance No. 2020-01 to allow a reduction in required setbacks is approved subject to compliance, to the reasonable satisfaction of the Planning Manager, with applicable sections of the Santa Ana Municipal Code, the California Administrative Code, the California Building Standards Code, and all other applicable regulations. In addition, they shall meet the following conditions of approval:

The Applicant must comply with each and every condition listed below prior to exercising the rights conferred by this variance.

The Applicant must remain in compliance with all conditions listed below throughout the life of the variance. Failure to comply with each and every condition may result in the revocation of the variance.

1. All proposed site improvements must conform to the Site Plan Review (DP No. 2020-02) and the staff report exhibits which are incorporated herein by reference.
2. Any amendment to this variance must be submitted to the Planning Division for review. At that time, staff will determine if administrative relief is available or the variance must be amended.
3. Prior to the issuance of a building permit, a full landscape and irrigation plan is to be submitted for review and approval. The landscape plan shall: (1) conform to the commercial landscape standards, Citywide Design Guidelines, and the City's Water Efficient Landscape Ordinance, and (2) contain regularly-spaced vines installed along the entire lengths of the new perimeter wall and the trash enclosure so as to form a natural graffiti deterrent.
4. The Applicant shall be responsible for maintaining the premises free of graffiti. All graffiti shall be removed within 24 hours of occurrence.
5. A Property Maintenance Agreement must be recorded against the property. The agreement will be subject to review and applicability by the Planning and Building Agency, the Community Development Agency, the Public Works Agency, and the City Attorney to ensure that the property and all improvements located thereupon are properly maintained, Developer (and the owner of the property upon which the authorized use and/or authorized improvements are located if different from the Applicant) shall execute a maintenance agreement with the City of Santa Ana which shall be recorded against the property and which shall be in a form reasonably satisfactory to the City Attorney. The maintenance agreement shall contain covenants, conditions and restrictions relating to the following:
 - (a) Compliance with operational conditions applicable during any period(s) of construction or major repair (e.g., proper screening and securing of the

construction site; implementation of proper erosion control, dust control and noise mitigation measure; adherence to approved project phasing etc.);

(b) Compliance with ongoing operational conditions, requirements and restrictions, as applicable (including but not limited to hours of operation, security requirements, the proper storage and disposal of trash and debris, enforcement of the parking management plan, and/or restrictions on certain uses,

(c) Ongoing compliance with approved design and construction parameters, signage parameters and restrictions as well as landscape designs, as applicable;

(d) Ongoing maintenance, repair and upkeep of the property and all improvements located thereupon (including but not limited to controls on the proliferation of trash and debris about the property; the proper and timely removal of graffiti; the timely maintenance, repair and upkeep of damaged, vandalized and/or weathered buildings, structures and/or improvements; the timely maintenance, repair and upkeep of exterior paint, parking striping, lighting and irrigation fixtures, walls and fencing, publicly accessible bathrooms and bathroom fixtures, landscaping and related landscape improvements and the like, as applicable);

(e) If Developer and the owner of the property are different (e.g., if the Applicant is a tenant or licensee of the property or any portion thereof), both the Applicant and the owner of the property shall be signatories to the maintenance agreement and both shall be jointly and severally liable for compliance with its terms.

(f) The maintenance agreement shall further provide that any party responsible for complying with its terms shall not assign its ownership interest in the property or any interest in any lease, sublease, license or sublicense, unless the prospective assignee agrees in writing to assume all of the duties, obligations and responsibilities set forth under the maintenance agreement.

(g) The maintenance agreement shall contain provisions relating to the enforcement of its conditions by the City and shall also contain provisions authorizing the City to recover costs and expenses which the City may incur arising out of any enforcement and/or remediation efforts which the City may undertake in order to cure any deficiency in maintenance, repair or upkeep or to enforce any restrictions or conditions upon the use of the property. The maintenance agreement shall further provide that any unreimbursed costs and/or expenses incurred by the City to cure a deficiency in maintenance or to enforce use restrictions shall become a lien upon the property in an amount equivalent to the actual costs and/or expense incurred by the City.

(h) The execution and recordation of the maintenance agreement shall be a condition precedent to the issuance of final approval for any construction permit related to this entitlement.

EXHIBIT 2

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EXHIBIT 3

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EXHIBIT 4

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EXHIBIT 5

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EXHIBIT 6

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