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CHAMBER OF COMMERCE  
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Date: January 22, 2013

Santa Monica Planning Commission  
City of Santa Monica  
1685 Main Street, Room 212  
Santa Monica, CA 90401

Re: Downtown Specific Plan

Dear Members of the Planning Commission:

We are writing on behalf of the Santa Monica Chamber of Commerce with respect to the proposed development standards for the Downtown Specific Plan (“DSP”), which you will be considering at your meeting on January 23<sup>rd</sup>.

The DSP is intended to implement the LUCE’s vision and policies for Downtown. Overall, the Chamber supports the Staff Report’s general direction with respect to the DSP, though we have points of disagreement with certain specifics in the Staff Report. This letter discusses key LUCE policies that should frame the DSP and recommends specific changes to Staff’s proposed DSP standards.

1. The LUCE Vision for the Downtown.

It is critically important that the DSP implement the LUCE vision for Downtown as the place with the greatest concentration of activity and development. (LUCE pp. 2.1-48, 2.6-5, and 2.6-12) The LUCE recognizes that Downtown’s buildings “are generally the tallest in the city with the highest development intensity.” (LUCE p. 2.6-6) Downtown is Santa Monica’s economic engine. A successful Downtown is essential to Santa Monica’s economic health and the City’s ability to fund the broad array of services Santa Monica residents expect. In considering City Staff’s recommended heights and densities for Downtown, the Commission should keep the LUCE’s vision for Downtown uppermost in mind.

Moreover, with the demise of redevelopment the LUCE’s vision of quality private development linked with community benefits is critical to achieving the City’s objectives for Downtown, including a more walkable Downtown.

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2. Non-Opportunity Sites (i.e., The Vast Majority of Downtown).

The Downtown’s non-opportunity sites should have clear height and density standards that govern new development. We are largely in agreement with Staff’s recommendations. Below is a summary of our areas of disagreement.

- The DSP should establish two tiers for all of the non-opportunity site portions of Downtown (not three tiers as recommended by City Staff for certain areas of Downtown). This will reduce the number of development agreements and provide greater certainty for both project applicants and the general public as to development on these sites. Tier 3 should be reserved for large and/or more complex projects on the opportunity sites.
- The Tier 1 development standards should be more generous Downtown than recommended by City Staff, consistent with the Downtown as the area of greatest activity/development.
  - For those areas subject to an 84 foot (or 86 foot as recommended in this letter) height limit, the Tier 1 height limit should be 60 feet with a maximum FAR of 2.5-3.0.
  - The Chamber does not anticipate that all Tier 1 projects will be subject to an Administrative Approval process. Rather, we anticipate the DSP and/or the new Zoning Ordinance will establish a development review threshold above which projects will require a discretionary approval.

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- The Chamber supports continuation of the 50% residential floor area discount and is concerned with the Supplemental Staff Report's proposal to replace it with a 0.5 FAR bonus in selected sub-districts only. Briefly:
  - The 50% residential floor area discount is a better incentive for housing because it applies broadly throughout the Downtown. The proposed 0.5 FAR bonus is limited to selected subareas of the Downtown and is limited to Tier One and Tier Two projects only.
  - The 50% residential floor area discount is more flexible and incentivizes residential uses in projects that include a mix of uses, which is consistent with the LUCE's vision for walkable, complete neighborhoods. It is unclear how the 0.5 FAR would be applied to projects that include a mix of uses. For example, it is unclear how the 0.5 FAR bonus would apply to projects that include a single building with more than one level of commercial uses or projects that include several buildings including some commercial only buildings and some with 100% housing or a mix of uses above the ground floor.
  - Pending further analysis, it appears to us that the 0.5 FAR bonus may be a smaller incentive for housing than the 50% residential floor area discount. For example, in the 401 Broadway project the 50% residential floor area discount allowed an additional 0.8 FAR above the existing 3.0 maximum FAR for commercial only projects.
- Consideration should be given to increasing allowable height on the west side of 2<sup>nd</sup> Street. (Staff's proposed 50 foot height limit seems too restrictive.)
- The LUCE height limit on Wilshire Boulevard between 2<sup>nd</sup> Court and 7<sup>th</sup> Street of 60 feet should be maintained rather than reduced to 50 feet as recommended by City Staff. Appropriate transition to the adjacent (north) residential neighborhood can be achieved through other means (e.g., the daylight plane concept being utilized in the Zoning Ordinance update modules); such transition does not require second-guessing the LUCE height limit for this segment of Wilshire.

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- In accordance with the Interim Zoning Ordinance (Ordinance No. 2407), the DSP should exclude subterranean space from the definition of floor area. In addition the DSP should exclude outdoor commercial areas (including outdoor dining) from the definition of floor area consistent with City policy favoring outdoor commercial uses.
- The precise height limits should be reviewed by local architects (similar to the LUCE heights) to ensure they will accommodate sufficient floor-to-floor height. Preliminarily, we suggest that the 84 foot height limit should be 86 feet. (86 feet is a better height limit than 84 feet because it accommodates a ground floor retail height of 18 feet and (i) for residential, six additional floors (10 feet 6 inches each) with an extra five feet for design flexibility and (ii) for commercial, five additional floors (13 feet 6 inches each) with an extra six inches for design flexibility.)

### 3. Downtown Opportunity Sites.

The LUCE specifically identifies certain sites as key sites for focused investment because they are accessible to transit, accommodate mixed-use development, contribute to the pedestrian-oriented environment, and support substantial community benefits. (LUCE p. 2.6-10) These sites are commonly referred to as opportunity sites. These sites provide special opportunities for community benefits, including open space (including a permanent location for the ice rink), public parking, iconic architecture, historic preservation, public art, cultural uses, multi-modal circulation improvements, sidewalk improvements/expansion, and other public infrastructure.

The Chamber believes that Staff's recommended approach of addressing height and density on the opportunity sites on a site-specific basis, and not with predetermined standards, is essential to achieving the LUCE vision for Downtown. The Staff recommendation does not guarantee additional height and density for these sites, over and above the maximum height/density allowed on the non-opportunity sites. Rather, it allows for site-specific planning to assess whether additional height and/or density is reasonable to achieve the LUCE's vision for Downtown.

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At most, Staff’s approach may lead to a very limited number of taller buildings in the event the City Council decides, on a case-by-case basis, that additional height is reasonable given site conditions and community benefits. Such very limited flexibility -- limited to eight sites in the Downtown (and in the entire City) per the Staff Report -- in combination with objective height and density standards for the rest of Downtown strikes a reasonable balance between certainty and flexibility.

The Commission should support Staff’s recommendation for site-specific review of the opportunity sites. Several opportunity sites involve pending or soon-to-be pending projects. (For example, the Miramar project is pending, and the City Council has asked the Miramar to revamp its project massing to reduce certain view blockage and provide publicly-accessible open space, which requires additional height in certain areas of the site. And, accommodating both a plaza/ice rink space and public parking at 4<sup>th</sup> Street/5<sup>th</sup> Street and Arizona Avenue will also necessitate additional height.) The Commission should not preempt the public planning process for these important sites by prematurely establishing height and density standards in a vacuum -- absent site-specific review of these sites and the potential for community benefits if additional height and/or density is allowed.

Each of the eight opportunity sites will present different challenges and opportunities. A flexible, site-specific approach to planning these sites will provide the City with an opportunity to achieve community benefits that will not otherwise be available. An example of where this approach has worked in the past is the Civic Center Village Project, where additional height was critical to providing land for Palisades Garden Walk. Forgoing or severely constraining these potential benefits in the DSP, before even considering the opportunities available, would undercut the LUCE vision for Downtown.

4. The Downtown Specific Plan Should Encourage New Hotels as Envisioned in the LUCE.

The LUCE specifically encourages new hotels in Downtown. (LUCE p. 2.6-10, Policy D1.4: “Encourage new or expanded hotel and other visitor-serving uses in the Downtown.”) Hotels are especially attractive because they generate substantial City revenue and low traffic (including peak hour traffic). As the Staff Report indicates, there is strong market demand for additional hotel rooms. The DSP should include development standards that accommodate additional hotels as well as provide for site-specific planning on the opportunity sites to facilitate reasonable hotel development combined with substantial community benefits as envisioned in the LUCE.

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5. Design Review and Guidelines.

We recommend that the design guidelines and standards for the Downtown be flexible rather than formulaic with respect to building mass, including setbacks and step backs. We also support modifying the Architectural Review Board (“ARB”) process to allow early ARB input.

6. Measurement of Height.

There is a general consensus among the architects in the Chamber’s DSP Working Group that the City needs to revisit how height is measured. We understand that this may be addressed in the Zoning Ordinance update. However, our Working Group thinks this is an important point with respect to the Downtown, which contains sloping sites. Specifically, height should be measured from the highest elevation along the sidewalk to the top of the structural deck.

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