



CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

May 21, 2019

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: ELISE MCCALED
ECONOMIC DEVELOPMENT MANAGER**

**SUBJECT: DIRECTOR'S REPORT – CITY ACQUISITION OF 2650, 2660, 2690,
2700-2730 CHERRY AVENUE, 2065-2099 E. 27TH STREET, 2701 ST.
LOUIS AVENUE AND 1850 E. 28TH STREET: GENERAL PLAN
CONFORMITY AND CEQA DETERMINATION**

Summary:

The City of Signal Hill is acquiring 2650, 2660, 2690, 2700-2730 Cherry Avenue, 2065-2099 E. 27th Street, 2701 St. Louis Avenue, and 1850 E. 28th Street from the Successor Agency for uses consistent with the Auto Center Specific Plan (SP-4). In order to acquire the property, the Planning Commission is required to adopt a finding of conformity with the Signal Hill General Plan, as well as make a CEQA determination.

Recommendation:

Waive further reading and adopt the following resolution, entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, CALIFORNIA, FINDING THE LOCATION, PURPOSE, AND EXTENT OF PROPOSED ACQUISITION OF REAL PROPERTY AT 2650, 2660, 2690, 2700-2730 CHERRY AVENUE, 2065-2099 E. 27TH STREET, 2701 ST. LOUIS AVENUE, AND 1850 E. 28TH STREET FOR AUTO CENTER SPECIFIC PLAN (SP-4) USES IN CONFORMITY WITH THE SIGNAL HILL GENERAL PLAN

Strategic Plan Objectives:

- Objective No. 1.1 Continue efforts to diversify revenue sources.
- Goal No. 3: Promote a strong local economic base.
- Objective No. 3.1.1: Implement actions outlined in Long Range Property Management Plan.

Background:

History of 2650, 2660, 2690, 2700-2730 Cherry Avenue, 2065-2099 E. 27th Street, 2701 St. Louis Avenue, and 1850 E. 28th Street

The Signal Hill Auto Center was envisioned by the Signal Hill Redevelopment Agency in the late 1970s, and the first auto dealer site was developed by Autrey BMW in 1989. By 2001, seven dealerships were developed including nine models on some 26 acres. In fact, the Auto Center has continued to expand with Cadillac added in 2012, and a new BMW dealership in 2015. Today, the Signal Hill Auto Center stands at 49 acres, with eight dealerships, and 13 models.

The “Cherry Avenue Site” consists of three different sites. The site at 2650, 2660, 2690 Cherry Avenue is approximately 1.38 acres. The buildings on the site were razed in 2018. Prior uses at the site included a washing machine repair shop and yard, a sandwich shop, and a Hertz rental car business. There are three abandoned oil wells on this property. The Cherry Avenue site is also encumbered by potential environmental contamination based upon its prior use for oil drilling.

The site at 2700-2730 Cherry Avenue, 2065-2099 E. 27th Street, and 2701 St. Louis Avenue is north of 27th Street, and is approximately .53 acres. One of the buildings on this site was demolished in 2018. The remaining buildings consist of a two-story office building and a metal building formerly utilized as an automobile repair facility. The office building is partially leased out. There are three abandoned wells on this property.

The site at 1850 E. 28th Street is approximately 1.18 acres, and is undeveloped. The site was used as an oil field and storage yard for lumber, trucks, cement mixers, trailers, and oil field supplies. As a result of prior uses, there are five previously abandoned wells and three active wells, two of which are idle. The site is also encumbered by the Signal Hill West Unit Agreement, a “blanket” easement affecting the surface use of the property.

Long Range Property Management Plan

In 2011, the State of California dissolved redevelopment agencies throughout the state, and required the sale of all redevelopment agency owned properties. Pursuant to the redevelopment dissolution law established under AB1x 26 and AB 1484, all redevelopment agencies owning properties were required to prepare, and have approved

by the state, a Long Range Property Management Plan (LRPMP) identifying the disposition and use of all real property assets of the former redevelopment agency. In February 2016, the California Department of Finance approved the Signal Hill Successor Agency LRPMP. This approval allows the Successor Agency to sell properties identified in the LRPMP.

Efforts to sell the site have been made by the former Redevelopment Agency (RDA) and current Successor Agency. Multiple auto dealerships have considered the site for development of a new car dealership including Dodge, Nissan, Subaru, and Mercedes Benz. There have been three exclusive Right to Negotiate agreements entered into by various automobile dealerships that have either expired or been terminated. The auto dealerships have not been interested in moving forward due to environmental constraints and the potentially high cost to remediate the property. Without RDA resources, the City has been unable to fund remediation or provide the environmental indemnity provided to former auto dealers in the RDA disposition and development agreements. The surface use rights are a major concern at 1850 E. 28th Street. The biggest impediment to selling the Cherry Avenue Site is the six wells on the property. Each well is required to be daylighted and checked for methane leaks. If found to be leaking, the well must be re-abandoned and a vent cone would need to be installed. The wells pose a challenge to developing the site because they cannot be built over unless they have been properly abandoned. The size of the site at just under two acres also makes development more challenging.

The Cherry Avenue site is north of E. Willow Street and south of Enterprise Rent-A-Car at 2750 Cherry Avenue. The properties are all zoned Auto Center Specific Plan (SP-4) with the exception of 2700-2730 Cherry Avenue and 2065-2099 E. 27th Street and 2701 St. Louis Avenue, which is zoned Commercial Industrial (CI). This property would be rezoned to SP-4 after the City's acquisition.

Analysis:

The Signal Hill Auto Center is a significant source of sales tax revenue. Auto dealers located in the Signal Hill Auto Center continue to express the need for additional space for car storage. Properties used by Signal Hill auto dealers for auto storage are becoming limited as undeveloped properties in Signal Hill and the adjacent Long Beach area are being developed. The City's acquisition of the sites would enable the City to retain the site for auto center storage, thus enhancing the viability of the Auto Center long-term.

In order for the City to acquire the property, the Planning Commission is required to make a finding of conformity with the General Plan according to California Government Code Section 65402. The proposed acquisition of the property is consistent with the goals, policies, and objectives of the adopted General Plan as outlined in the Land Use Element. The Cherry Avenue site falls within the 3.4 Commercial Industrial (CI) land use designation in the General Plan. The site at 1850 E. 28th Street falls within the 4.2 General Industrial land use designation in the General Plan. Auto Center uses represent the highest and best commercial uses which are compatible and consistent with the

commercial and industrial uses envisioned in the General Plan for both of these designations.

Pursuant to Section 15378(b)(4) of the California Environmental Quality Act (CEQA), the project is exempt because the sale of property is not a “project” requiring environmental review. Further environmental review will be conducted at such time when there is a viable project.

Approved:

Scott Charney

RESOLUTION NO. _____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, CALIFORNIA, FINDING THE LOCATION, PURPOSE, AND EXTENT OF PROPOSED ACQUISITION OF REAL PROPERTY AT 2650, 2660, 2690, 2700-2730 CHERRY AVENUE, 2065-2099 E. 27th STREET, 2701 ST. LOUIS AVENUE, AND 1850 E. 28th STREET FOR AUTO CENTER SPECIFIC PLAN (SP-4) USES IN CONFORMITY WITH THE SIGNAL HILL GENERAL PLAN

WHEREAS, the City of Signal Hill, California, adopted a General Plan in 1986 and adopted an update to the Land Use Element in 2001; and

WHEREAS, the City of Signal Hill proposes to acquire property for permissible uses outlined in the Auto Center Specific Plan including the auto dealership's storage of vehicles; and

WHEREAS, pursuant to Section 15378(b)(4) of the California Environmental Quality Act (CEQA), the project is exempt because the sale of property is not a "project" requiring environmental review. Further environmental review will be conducted at such time when there is a viable project; and

WHEREAS, the General Plan Land Use map is shown on Exhibit A and the subject land is shown on Exhibit B as attached hereto; and

WHEREAS, Section 65402 of the California Government Code requires that the Planning Commission review the location, purpose, and extent of real property to be acquired for public purpose, and report to the local legislative body as to the conformity of same with the adopted General Plan; and

WHEREAS, 2650, 2660, 2690, 2700-2730 Cherry Avenue falls within the 3.4 Commercial Industrial (CI) land use designation in the General Plan; and

WHEREAS, 1850 E. 28th Street falls within the 4.2 General Industrial land use designation in the General Plan; and

WHEREAS, the Planning Commission reviewed this information on May 21, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission of the City of Signal Hill, California, finds as follows:

Section 1. That Auto Center uses are compatible and consistent with the commercial and industrial uses noted in the General Plan for both of the land use designations as follows:

Land Use Element

GOAL 1 – Manage growth to achieve a well-balanced land use pattern that accommodates existing and future needs for housing, commercial and industrial land, open space, and community facilities and services, while maintaining a healthy, diversified economy adequate to provide future City revenues.

Policy 1.5 – The distribution and intensity of land uses shall be consistent with the land use map and descriptions for each of the land use categories in Section VI of the Land Use Element.

Finding regarding Policy 1.5 – The 2001 General Plan Land Use Element designated the proposed acquisition consistent with the description of intended land uses.

Policy 1.6 – Ensure an adequate supply of commercial and industrial land for potential commercial and industrial expansion and development.

Finding regarding Policy 1.6 – The acquisition of land for the expansion of the Signal Hill Auto Center ensures an adequate supply of land for commercial development.

Policy 1.7 – Broaden the City’s tax base by attracting commercial and industrial development to the City which will provide economic and employment benefits to the community while ensuring compatibility with other general plan goals and policies.

Finding regarding Policy 1.7 – The proposed expansion of the Signal Hill Auto Center and the acquisition of property for the expansion of the auto center will broaden the City’s tax base.

Goal 2 – Ensure that new development is consistent with the City’s circulation system, availability of public facilities, existing development constraints, and the City’s unique characteristics and natural resources.

Policy 2.6 – Encourage the development of oil field areas through the removal or relocation of wells and pipelines, or with site plan designs that encourage the joint use of land for oil production and other urban uses while maintaining essential access to petroleum resources.

Finding regarding Policy 2.6 – The proposed acquisition is occupied by active and abandoned oil wells. Auto Center development requires the investigation of abandoned oil wells and re-abandonment if necessary in accordance with Title 16, Oil and Gas Code of the Signal Hill Municipal Code.

Goal 3 – Assure a safe, healthy, and aesthetically pleasing community for residents and businesses.

Policy 3.10 – Encourage the revitalization and redevelopment of older commercial and industrial areas.

Finding regarding Policy 3.10 – The proposed expansion of the Signal Hill Auto Center revitalizes the City’s commercial area.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Planning Commission of the City of Signal Hill, California, on this 21st day of May 2019.

VICTOR PARKER
CHAIR

ATTEST:

SCOTT CHARNEY
COMMISSION SECRETARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SIGNAL HILL)

I, SCOTT CHARNEY, Commission Secretary do hereby certify that Resolution No. _____ was adopted by the Planning Commission of the City of Signal Hill, California, at a regular meeting held on the 21st day of May, 2018, and was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SCOTT CHARNEY
COMMISSION SECRETARY

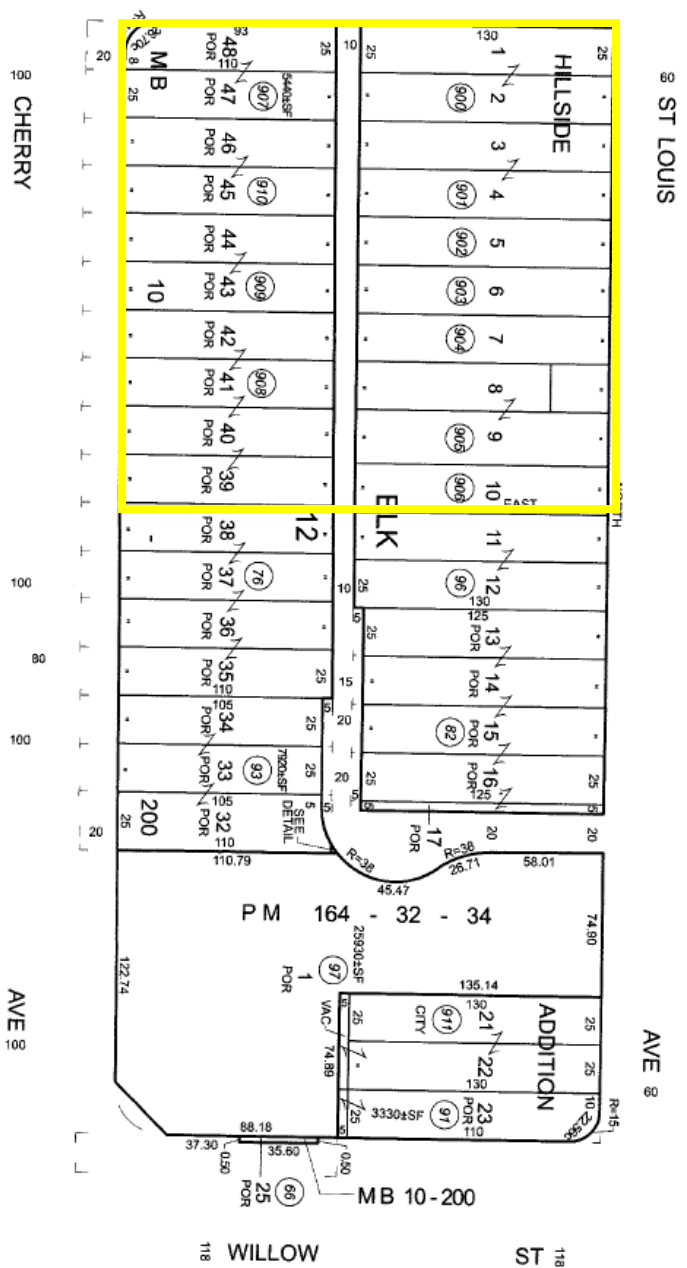
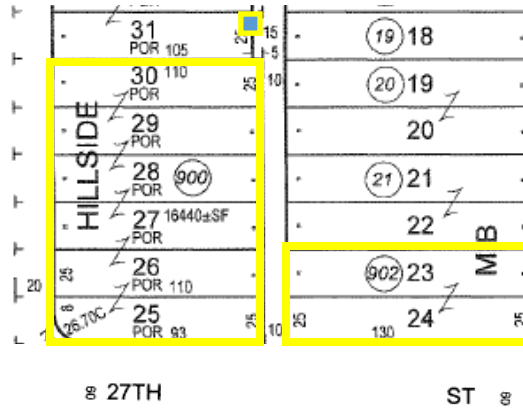


Exhibit B