



## **PLANNING COMMISSION STAFF REPORT**

**DATE:** October 28, 2015

**PUBLIC HEARING**

**SUBJECT:** APPLICATION BY THE CITY OF PALM SPRINGS TO UPDATE AND AMEND THE MUSEUM MARKET PLAZA SPECIFIC PLAN TO REFLECT PREVIOUS APPROVALS AND MODIFICATIONS, INCLUDING CHANGES TO PERMITTED USES FOR CERTAIN BLOCKS WITHIN THE DEVELOPMENT, CHANGES TO THE MAXIMUM PERMITTED HEIGHT FOR CERTAIN BLOCKS WITHIN THE DEVELOPMENT, REDUCTIONS IN THE OVERALL DEVELOPABLE SQUARE FOOTAGE AND PERMITTED NUMBER OF UNITS, AND OTHER VARIOUS ADMINISTRATIVE CHANGES AND CORRECTIONS (CASE NO. 5.1204 SP A-1).

**FROM:** Department of Planning Services

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### **PROJECT DESCRIPTION**

This is a request by the City of Palm Springs to update and amend the Museum Market Specific Plan. The proposed updates to the document include the following:

- Changing the name of the Specific Plan document from the "Museum Market Plaza Specific Plan" to the "Downtown Palm Springs Specific Plan;"
- Changes to the permitted uses for Blocks B, B-1 and E reflecting the relocation of the Downtown City Park by a previous action of City Council;
- Modification to the building height allowed on Block B from 16 feet to 40 feet for commercial uses;
- Change in the building height for Block B-1 to 60 feet for commercial and residential uses and 75 feet for hotel uses;
- Reduction in the building height on Block E from 60 feet to 30 feet;
- Reduction in the building height on Blocks H-1 and H-2 from 60 feet to 17 feet and 40 feet respectively;
- Reduction in the overall developable square footage of the project and a decrease in the number of allowable residential units;
- Minor modifications to parking standards;
- Revisions to the building mass and setback requirements; and
- Other administrative and miscellaneous changes to the text to correct errors and reflect the anticipated development pattern of the project.

An addendum to the certified Environmental Impact Report (EIR) has been prepared to evaluate potential impacts of the proposed update and amendments, and is included as an attachment to this report.

**RECOMMENDATION**

To open the public hearing and recommend approval of the Museum Market Plaza Specific Plan update to the City Council.

**BACKGROUND INFORMATION**

<i>Related Relevant Actions by Planning, Building, Fire, etc.</i>	
12/02/09	The City Council adopted the Museum Market Plaza Specific Plan and associated Environmental Impact Report and related documents.
09/07/11	The City Council approved a Project Financing Agreement (PFA) between the City of Palm Springs and Palm Springs Promenade, LLC for the redevelopment of the Desert Fashion Plaza site. The agreement included a site plan and project description depicting the proposed improvements.
10/17/12	The City Council approved an addendum to the Final Environmental Impact Report and an associated Conformity Review. In addition, the City Council approved Amendment #2 to the PFA, reflecting the improvements proposed as part of the Conformity Review.

**ANALYSIS**

The Museum Market Plaza Specific Plan was approved by City Council in December 2009. Subsequent approvals, including an addendum to the EIR and Conformity Review in 2012, have resulted in changes to the development which are not currently reflected in the Specific Plan document. The proposed update to the document is intended to address these changes, as well as proposing minor revisions to design standards and infrastructure improvements. In addition, reductions in the overall developable square footage and unit count are also proposed. The following analysis discusses the major revisions to the document; a complete summary of the revisions is included as an attachment to this report.

Uses

As part of the Conformity Review and addendum to the EIR in 2012, the park was moved from its proposed location on Block B to Block E. With this change in the location of the park, the use table in the Specific Plan needs to be updated to correctly identify the permitted uses for Blocks B and E. The proposed update will allow the full range of commercial uses currently permitted in the Specific Plan document on Blocks B and B-1, and that the uses on Block E will be restricted to those that are consistent with the park use. Blocks H-1 and H-2 will also be restricted to the same uses as Block

E.

Another proposed correction to the plan document is the process for approval of uses that are not identified in the use table. The Specific Plan currently states that the Planning Director may determine if unlisted uses are permitted, require Conditional Use approval, or are prohibited. It is proposed that the same process be used as is currently identified in PSZC Chapter 94, whereby unlisted uses are determined by the Planning Commission.

Height

With the change of the park location from Block B to Block E, maximum permitted height limits need to be adjusted to reflect this change in use. The height limit on Block E will be reduced to 30 feet, which should be adequate for any proposed accessory structure developed as part of the park. The height limit on Block B will be increased to 40 feet, which is consistent with the commercial building that has been approved for the block. The height on Block B-1 is proposed at 60 feet for residential and commercial uses; the developer has requested that a 75-foot height limit be allowed for hotel uses only on that block. The maximum permitted height on Blocks H-1 and H-2 has been reduced based on the current plans to utilize the blocks for a sculpture plaza and public open space; the height on block H-2 is proposed at 40 feet to accommodate the possible future installation of Albert Frey's Aluminaire House. The changes to the height limit for each block are listed in the table below:

<b>Block</b>	<b>Existing</b>	<b>Proposed</b>	<b>Purpose</b>
A, A-1	60'	60'	No change
B	16'	40'	Existing height limit based on use for public park; 40' height limit consistent with commercial uses permitted.
B-1	16'	60'/75'	75' height limit for hotels only; all other uses restricted to 60'. Proposed by developer.
C, C-1	60'	60'	No change
D & F	60'	60'	No change
E	60'	30'	Height reduced to reflect change from commercial uses to park use.
G	60'	60'	No change
H-1	60'	17'	Height reduced to reflect change in use from commercial to park/plaza.
H-2	60'	40'	Height reduced to reflect change in use to park/plaza; 40' height limit established for potential installation of Aluminaire House.
K	60'	60'	No change

The developer has requested that the height on Block B-1 be increased to 75 feet for hotel uses only. Currently, the Specific Plan allows hotels to be taller than 60 feet upon

approval by City Council via a Planned Development District application, but does not specify a maximum permitted height. The proposed modification would definitively cap the maximum permitted height for a hotel on Block B-1, but would allow the building to be approved via a Major Architectural Application as opposed to a Planned Development District.

**Stepbacks and Massing**

The Specific Plan document requires an additional setback (or "stepback") for the upper stories of a building over a certain height, as measured from the property line, in an effort to reduce the massing of taller buildings. While the property line in an urban setting would typically be located at the back of sidewalk, the mapping actions that have been approved to date have located the property line at the back of curb. To account for this difference, the stepback requirements have been increased so that the net effect of the requirement is the same.

As an alternative to stepback requirements, staff is proposing to add requirements that would reduce the permissible floor area at the upper levels of buildings (see Table III-5, "Building Open Area per Floor"). While 90% coverage of the block would be permitted at the first three floors of the building, any story above the third floor would only be permitted to cover 60% of the block area. This would generally achieve the same effect as stepback requirements in reducing the mass of taller buildings, while providing flexibility in the design and form of buildings. It is intended that either the building stepback or floor area reduction could be utilized to satisfy the requirement relative to the massing of buildings.

**Maximum Allowable Square Footage**

Based on the approvals that have been granted to date, it is proposed that the maximum allowable square footage for the Specific Plan area be reduced. The Specific Plan currently allows up to a maximum of 1,775,000 square feet of developable area. In order to reduce the overall impact of the development at build-out, it is proposed that the maximum allowable square footage be reduced in accordance with the table below:

<b><i>Block</i></b>	<b><i>Existing</i></b>	<b><i>Proposed</i></b>
A	220,000 SF	175,000 SF
B	3,000 SF	155,000 SF
C	245,000 SF	240,000 SF
D & F	455,000 SF	225,000 SF
E	520,000 SF <sup>1</sup>	7,500 SF
G	N/A	225,000 SF
H	N/A	N/A
K-1	181,000 SF	181,000 SF
K-2	151,000 SF	151,000 SF
<b>Total:</b>	<b>1,775,000 SF</b>	<b>1,359,500 SF</b>

<sup>1</sup>Note: Blocks E, G and H were originally combined into one block and allowed up to

*520,000 square feet in developable square footage.*

### Maximum Permitted Units

Under the certified EIR for the Specific Plan, a total of 620 hotel units and 955 residential units were analyzed. No change is proposed to the maximum number of hotel units. Based on the remaining blocks to be developed, it is unlikely that a total of 955 residential units could be constructed within the Specific Plan area. Consequently, it is proposed that the maximum number of residential units be reduced to a total of 650 units.

### Open Space

As previously discussed, the Specific Plan originally identified Block B as the location for a public park/plaza facility, which was shifted to Block E by City Council action in 2012. As Block E is larger than the original area apportioned to Block B, the size of the park increased from 0.82 acres to 1.36 acres. Blocks H-1 and H-2 will add an additional 0.72 acres of open space to the development as they are also intended for use as plaza and/or park area. With these changes, the overall open space for the development has increased from 0.82 acres to 2.08 acres.

### Parking

No changes are proposed to the parking ratios that are listed in the Specific Plan document. While the plan stipulates that parking for residential and hotel uses must be provided in the same block where the use is located, a subsequent Project Finance Agreement (PFA) approved by City Council in 2011 called for the existing parking structures to be retained and utilized to satisfy the parking requirements for the project. Consequently, it is proposed that the language in the plan document be modified so that all uses benefit from the structured parking, consistent with the approved PFA.

### General Corrections/Updates

In addition to the updates previously discussed, there are a number of general updates and corrections proposed to the document to reflect current conditions and actions by City Council relative to the project. The corrections and updates include the following:

- The net acreage for each block within the development has been updated based on approved mapping actions (Table I-1);
- CEQA Compliance section updated to include a description of the 2012 Addendum;
- General updates to the description and location of the Downtown City Park;
- The streets within the development have been changed from private streets to public streets, in accordance with a previous City Council action;
- References to the Desert Fashion Plaza building have been revised or removed, as the structure will no longer be incorporated into the development;
- Phasing of the development has been updated to reflect the entitlement actions that have been approved to date;
- The process for mapping actions within the development has been updated to correctly reference State requirements; and

- References to the Redevelopment Agency have been removed based on State actions relative to redevelopment.

## **FINDINGS – SPECIFIC PLAN AMENDMENT**

PSZC Chapter 94 does not list specific findings for approval of amendments to specific plan documents. California Government Code Title 7, “Planning and Land Use,” stipulates that no specific plan shall be adopted or amended unless the proposed plan or amendment is consistent with the general plan.

The proposed update and amendments to the specific plan are consistent with Goal LU10 of the Land Use Element of the General Plan, “Maintain a vibrant, pedestrian-friendly Downtown that serves as the economic, civic, historic, cultural, and recreational center of the City.” Specifically, the proposed update is consistent with the following policies:

- Policy LU 10.1: Support the development of a centrally located “village square” to serve as the key visual, social and aesthetic component of the Downtown revitalization effort.
- Policy LU 10.2: Encourage development of housing and mixed-use land uses Downtown to increase activity in this area.
- Policy LU 10.3: Encourage development that promotes a flow between indoor and outdoor activities such as outdoor cafes, arcades, paseos, and courtyards.
- Policy LU 10.4: Accommodate a broad range of uses Downtown to meet the needs of both residents and visitors and to stimulate both daytime and evening activity.
- Policy LU 10.5: Facilitate and promote special events and community celebrations in the Downtown area to stimulate its role as a community focal point.
- Policy LU 10.10: Encourage higher density housing at the perimeter of the downtown retail area.

In addition, the proposed update will assist in implementing the following goals of the Community Design Element of the General Plan:

- Goal CD 12: Create active, vibrant, and attractive gathering places.
- Goal CD 19: Create mixed-use and multi-use areas that are visually attractive, pedestrian friendly, easily accessible, and contain a blend of commercial, office and residential uses.
- Goal CD 27: Preserve and enhance the architectural quality of Palm Springs.
- Goal CD 30: Support and sustain a vibrant and active Downtown.
- Goal CD 31: Reinforce visual continuity between Section 14 and areas directly adjacent.

## **ENVIRONMENTAL ANALYSIS**

Pursuant to Section 15063 of the California Environmental Quality Act (CEQA) Guidelines, a Notice of Preparation (NOP) of a Draft Environmental Impact Report (DEIR) was prepared and circulated for this project. The DEIR was released for review on October 22, 2008. Notices of the reports were sent to all applicable agencies and published in accordance with CEQA. Comments were received by the City and responses to comments were provided in the Final Environmental Impact Report (FEIR). The FEIR determined that the project would result in post-mitigation significant effects on aesthetics/visual resources, regional air quality, and cultural resources. However, the City Council concluded that the benefits of the Specific Plan implementation would outweigh the potential adverse effects. Findings and a Statement of Overriding Considerations were adopted as part of the EIR certification and Specific Plan approval. A copy of the EIR is on file with the City Clerk.

In 2012, the City prepared an Addendum (Addendum #1) to the EIR for the Specific Plan. The Addendum was developed to evaluate a proposed development plan for 13.2 acres within the Specific Plan area, as well as the creation of a parcel map to realign property boundaries, the dedication of public streets and abandonment of certain rights-of-way, and acceptance of public easements. The Addendum focused on the potential visual and aesthetic impacts that could result from the proposed changes and found that the overall effects would be no more significant than those associated with the implementation of the adopted Specific Plan. No other environmental impacts were expected to result that were not analyzed and mitigated in the previously adopted EIR, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program. The Addendum was adopted by City Council on October 17, 2012.

The proposed Addendum (Addendum #2) evaluates the potential environmental impacts of a proposed project which includes the update and amendments to the Museum Market Plaza Specific Plan, the development of Block E as the Downtown Palm Springs Park, and a Major Architectural Review for the development of Block B-1 (Case No. 3.3908 MAJ). The analysis concludes that the project is substantially consistent with the impacts analyzed in the certified EIR and in the 2012 Addendum. No changes are proposed that would require major revisions to the previous EIR, as the proposal will ultimately reduce the intensity and density of the project. The impacts associated with the proposed project will result in the same or reduced impacts when compared to those analyzed in either the certified EIR or the 2012 Addendum. None of the components of the proposed project will result in a significant effect not identified in the certified EIR or the 2012 Addendum. The Findings and Statement of Overriding Considerations adopted by the City in 2009 are consistent with the analysis provided in the proposed Addendum.

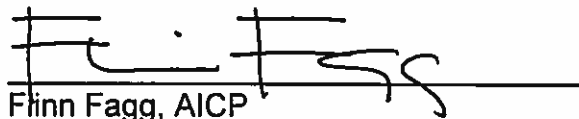
## **CONCLUSION**

The proposed amendments to the Museum Market Plaza Specific Plan assist in implementing the plan by providing updated development standards and information consistent with City Council approvals and the 2012 Addendum to the EIR. The update

reduces the overall developable square footage and number of units permitted, which reduces the impact of the proposed development, and results in a significant increase in public open space within the development. The proposed update is also consistent with the goals and policies of the City of Palm Springs General Plan.

## NOTIFICATION

A public hearing notice was published in accordance with the requirements of State law and local ordinance. As of the writing of this report, no comments have been received.

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Flinn Fagg, AICP  
Director of Planning Services

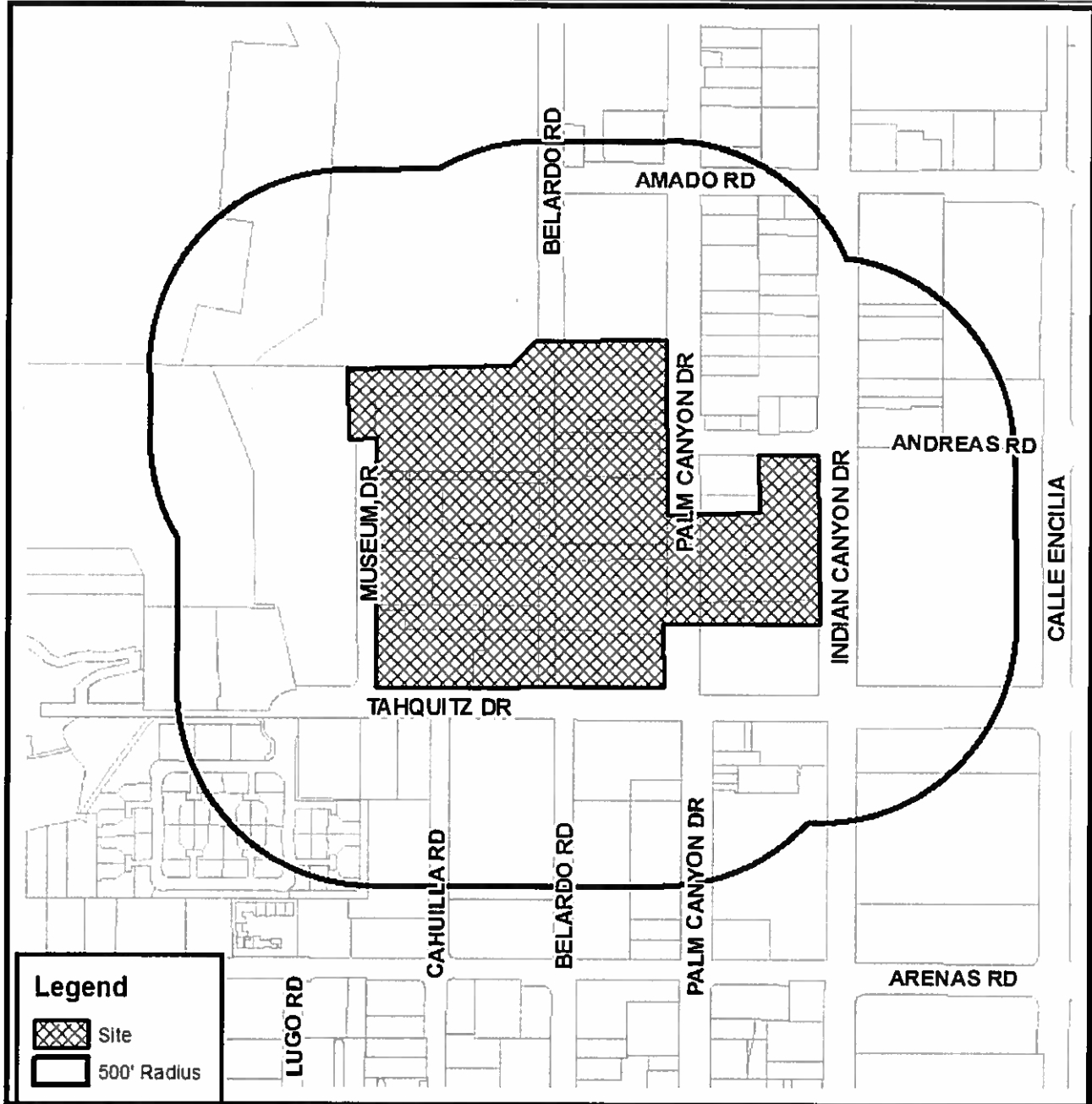
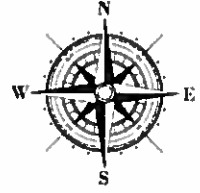
### Attachments:

1. Vicinity Map
2. Draft Resolution
3. Museum Market Plaza Specific Plan Amendment No. 1
4. Addendum No. 2 to Final Environmental Impact Report





# Department of Planning Services Vicinity Map



CITY OF PALM SPRINGS

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PALM SPRINGS, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL UPDATE AND AMEND THE MUSEUM MARKET PLAZA SPECIFIC PLAN TO REFLECT PREVIOUS APPROVALS AND MODIFICATIONS, INCLUDING CHANGES TO PERMITTED USES FOR CERTAIN BLOCKS, CHANGES TO THE MAXIMUM PERMITTED HEIGHT FOR CERTAIN BLOCKS WITHIN THE DEVELOPMENT, REDUCTIONS IN THE OVERALL DEVELOPABLE SQUARE FOOTAGE AND PERMITTED NUMBER OF UNITS, AND OTHER VARIOUS ADMINISTRATIVE CHANGES AND CORRECTIONS.

**THE PLANNING COMMISSION OF THE CITY OF PALM SPRINGS FINDS:**

- A. On April 30, 2008, Wessman Development, Inc. presented to the City a draft Specific Plan for the Museum Market Plaza development.
- B. On May 21, 2008, the City Council initiated a Specific Plan review process and directed staff to report on the conformance of the draft Museum Market Plaza Specific Plan with the Palm Springs General Plan, Downtown Design Guidelines and Palm Springs Zoning Code.
- C. On June 13, 2008, the City issued a Notice of Preparation (NOP) and Initial Study on the project indicating that a draft Environmental Impact Report (DEIR) would be prepared on the proposed Specific Plan. The NOP was circulated to agencies and interested parties and a 30-day period was provided for responses.
- D. On July 1, 2008, a public Scoping Meeting was held to receive comments on preparation of the draft Environmental Impact Report (DEIR).
- E. The DEIR was prepared and circulated for public review and comment between October 22, 2008 and December 17, 2008.
- F. The City received numerous written and oral comments on the DEIR, and prepared responses to describe the disposition of significant environmental issues raised by the comments, and made changes to the DEIR accordingly. The comments, responses to comments, changes to the DEIR and additional information were published in a Final EIR (FEIR) dated January 1, 2009.
- G. On December 2, 2009, the City Council certified the FEIR and adopted CEQA Findings and Statement of Facts, a Statement of Overriding Considerations, and a Mitigation Monitoring Program; and enacted by ordinance

and resolution the Museum Market Plaza Specific Plan.

H. On October 17, 2012, the City Council certified an Addendum to the Museum Market Plaza Specific Plan EIR (Addendum #1), and approved a Conformity Review for a revised revitalization plan as being consistent with the approved Museum Market Plaza Specific Plan.

I. On September 2, 2015, the City Council directed staff to prepare an amendment to the Museum Market Plaza Specific Plan, and authorized funding to engage a consultant to prepare an Addendum to the FEIR.

J. On October 28, 2015, the Planning Commission conducted a noticed public hearing on an update to the Museum Market Plaza Specific Plan, and considered the proposal to make various updates and amendments to the plan document.

K. The Planning Commission carefully reviewed and considered all of the evidence presented at its meeting of October 28, 2015, including but not limited to the staff report, the Addendum to the FEIR (Addendum #2), and all written and oral testimony presented.

L. The Planning Commission hereby finds that adoption of the proposed Specific Plan Amendment would:

1. Update the Museum Market Plaza Specific Plan document to include revisions to the project that were approved by City Council as part of the 2012 EIR Addendum (Addendum #1) and associated Conformity Review.
2. Make administrative corrections and changes to reflect current entitlements and development patterns within the Specific Plan area.
3. Reduce the overall developable square footage of the project and reduce the total number of units, resulting in reduced environmental impacts.

M. The adoption of the proposed Specific Plan Amendment would be consistent with the goals and policies of the City of Palm Springs General Plan and the Guiding Principles of the Museum Market Plaza Specific Plan.

N. An Addendum (Addendum #2) to the Final Environmental Impact Report has been prepared in accordance with Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, and it has been determined that the proposed changes to the Specific Plan do not represent a new significant environmental effect or a substantial increase in the severity of previously

identified significant effects, and that the Addendum may be approved.

**THE PLANNING COMMISSION OF THE CITY OF PALM SPRINGS  
RESOLVES:**

SECTION 1. The Museum Market Plaza Specific Plan shall be replaced in its entirety with an updated Specific Plan document entitled "The Downtown Palm Springs Specific Plan," a copy of which is attached hereto.

SECTION 2. An addendum to the previously certified Final Environmental Impact Report for the subject project is an adequate environmental assessment of the potential adverse impacts of the proposed request for an amendment to the Museum Market Plaza Specific Plan, under the California Environmental Quality Act (CEQA) guidelines.

NOW, THEREFORE, BE IT RESOLVED that, based upon the foregoing, the Planning Commission hereby approves Case No. 5.1204 SP-A1.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2015.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

CITY OF PALM SPRINGS, CALIFORNIA

\_\_\_\_\_  
Flinn Fagg, AICP  
Director of Planning Services