



STAFF REPORT SAN CLEMENTE ZONING ADMINISTRATOR

Meeting Date: October 21, 2021

PLANNER: Jonathan Lightfoot, Economic Development Officer

SUBJECT: **Minor Conditional Use Permit (MCUP) 21-246, State Farm Pedestrian Orientation**, a request for an insurance and financial services office to occupy an existing 1,240 square foot tenant suite within the Pedestrian Overlay Zone.

LOCATION: 1520 N. El Camino Real, Unit 6

ZONING/GENERAL PLAN: Mixed Use 2, Architectural and Pedestrian Overlays (MU2-A-P)

PROJECT SUMMARY:

- **Site Information:**
The project site is a half-acre parcel located within the Mixed Use 2 zoning district west of the I-5 freeway with a three-story, 46,850 square-foot mixed use building known as the Terramour property (formerly “Coastline Mixed Use” and “Venetian Villas”). The property fronts on El Camino Real, and an alley runs behind, separating it from residences in the Residential High zone along Calle Las Bolas. The property includes 6 ground-floor commercial units, 14 units of upper level residential, and a subterranean garage. Other tenants on site include a dental office, a realtor, and a men’s clothing business. The dental office did not obtain an MCUP because the City Planner issued a determination in 2018 that the proposed floorplan that incorporated retail was substantially similar to the permitted optometrist use, which is explicitly permitted as a pedestrian-oriented use.

Figure 1 – Proposed Office Location



Figure 2 – Existing Office Location

- **Proposed Use:** The applicant proposes to relocate his State Farm insurance office from 1401 N. El Camino Real, which is about one block to the south of the proposed location. No exterior building or site changes are proposed as part of this request. The tenant suite is 1,240 square feet and is at the southern corner of the mixed use building which includes 6 ground floor commercial suites with residential units above.
 - The suite meets the definition of a Pedestrian-oriented space (entrance contiguous or within 15' of the front property line) because it faces El Camino Real and is set back about 4 feet from the front property line.
 - Professional offices, including insurance agencies, are considered to be non-pedestrian uses and therefore require an MCUP to determine the appropriateness of the business placement in a pedestrian-oriented space. There is, however, an existing professional office (escrow business) in another suite of this mixed use building that was permitted in 2011. This business was permitted without an MCUP as it is the only suite without an entry within 15 feet of the front property line.
 - The business's prior location at 1401 N. El Camino Real is less than 1000 feet from the proposed location; however, that suite's primary entry was not within 15' of El Camino Real.
- The North Beach Community Association and the Chamber of Commerce have submitted letters of support (Attachment 4) commending the applicant's investment into the local community.
- **Required Findings:** In addition to the standard required findings (Section 17.16.070), for MCUP's the project must meet additional findings that pertain to the Pedestrian (or "Central Business") Overlay district as noted in SCMC 17.56.030. Staff believes the proposed use meets required findings for MCUP approval for the following reasons:
 - Professional office uses are permitted with approval of a MCUP within the MU2-A-P zone.
 - The site is suitable for the type and intensity of the use that is proposed, in that the existing commercial suite provides sufficient space for the office use and includes on-site parking.

- The proposed use will not be detrimental to the public health, safety or welfare, in that the proposed restaurant is small and located in a commercial center with similar establishments. The project has also been conditioned to ensure that the business complies with all applicable codes and incorporates best management practices.
 - Residential tenants in the mixed use building are already served well by food and service uses within 500' of the building, including 3 restaurants, a coffee shop, a juicer, a nail spa, a chiropractor, and retail stores for clothing, liquor, and appliances.
 - While North El Camino Real is within the Pedestrian Overlay, this area has not yet attained the level of foot traffic seen in the downtown.
 - Longer blocks, higher speeds of traffic, and vacancies within the North El Camino Real corridor contribute to the lack of existing pedestrian orientation.
 - This proposed location is one of two available suites in the 6-suite building at 1520 N. El Camino Real (N.ECR). As noted previously, one of the 4 occupied suites is an escrow office.
 - There are multiple current vacancies within a quarter mile of this site along N.ECR at suites that also fall into the Pedestrian Overlay: 1401 N.ECR, 1402 N.ECR, 1403 N.ECR, and 1450 N.ECR.
 - There are limited opportunities for spaces that front on the alley or are not on ground level in this area along El Camino Real.
 - Some pedestrian activity will still occur at this business.
 - This business is locally owned and operated and is relocating from a building that is block to the south and also within the Pedestrian Overlay.
 - The business accepts walk in clients.
 - The business offers financial services, and financial service institutions are considered a pedestrian-oriented use.
- **CEQA:** The project is Categorically Exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant CEQA Guidelines Section 15301 (Class 1: Existing Facilities). The project is exempt because there are no changes to the existing development footprint and no expansion in the intensity of use of the site.
 - **Public Comment:** The project was publicly noticed in accordance with the San Clemente Zoning Ordinance. Staff received two letters of support from the North Beach Community Association and the San Clemente Chamber of Commerce (Attachment 4) upon application submittal. No additional public comment has been received regarding the project.

RECOMMENDATION

Based on the information in the staff report and subject to the required findings and conditions of approval, staff recommends that the Zoning Administrator:

1. Determine the project is Categorically Exempt from the requirements of the CEQA pursuant to CEQA Guidelines Section 15301 (Class 1: Existing Facilities); and

2. Adopt Resolution ZA 21-024, approving Minor Conditional Use Permit (MCUP) 21-246, State Farm Pedestrian Orientation.

Attachments:

1. Resolution ZA 21-024
Exhibit A - Conditions of Approval
2. Location Map
3. Suite Layout
4. Letters of Support

ATTACHMENT 1

RESOLUTION NO. ZA 21-024

A RESOLUTION OF THE ZONING ADMINISTRATOR OF THE CITY OF SAN CLEMENTE, CALIFORNIA, APPROVING MINOR CONDITIONAL USE PERMIT 21-246, STATE FARM PEDESTRIAN ORIENTATION, A REQUEST FOR THE APPROVAL OF AN INSURANCE SERVICES OFFICE IN A PEDESTRIAN-ORIENTED AREA LOCATED AT 1520 N. EL CAMINO REAL, UNIT 6.

WHEREAS, on September 15, 2021 an application was submitted by Greg and William Rosalino, 11 Via Andaremos, San Clemente, CA 92673, for Minor Conditional Use Permit (MCUP) No. 21-246, and deemed complete on September 28, 2021; a request for an insurance and financial services office to occupy an existing tenant suite within the Pedestrian Overlay Zone. The restaurant is located in the Mixed Use 2 zoning district and Architectural and Pedestrian overlays. The legal description for the site is N TR 16274 LOT 1 and the Assessor's Parcel Number is 692-371-46.

WHEREAS, the Planning Division has completed an initial environmental assessment of the above matter in accordance with the California Environmental Quality Act (CEQA) and recommends the Zoning Administrator determine the project to be found categorically exempt from the requirements pursuant to the CEQA Guidelines section 15301 as a Class 1 exemption because the proposed project would result in no physical expansion of an existing commercial space and no intensification of use; and

WHEREAS, City staff reviewed the proposed project and determined it complies with the General Plan, Zoning Ordinance, and other applicable City ordinances and codes; and

WHEREAS, on October 21, 2021 the Zoning Administrator of the City of San Clemente held a duly noticed public hearing on the subject application, considered written and oral comments, and facts and evidence presented by the applicant, City staff, and other interested parties.

NOW, THEREFORE, The Zoning Administrator of the City of San Clemente does hereby resolve as follows:

Section 1. Incorporation of Recitals.

The Zoning Administrator hereby finds that all of the facts in the Recitals are true and correct and are incorporated and adopted as findings of the Zoning Administrator as fully set forth in this resolution.

Section 2. CEQA Findings.

Based upon its review of the entire record, including the Staff Report, any public comments or testimony presented to the Zoning Administrator, and the facts outlined below, the Zoning Administrator hereby finds and determines that the proposed project is Categorically Exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities).

The Class 1 exemption specifically exempts from further CEQA review the operation, repair, maintenance, and minor repair of existing public or private structures, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. This exemption covers negligible expansions beyond the existing facilities and use. Here, the proposed project involves negligible or no expansion of an approved commercial use because:

- Professional office uses are permitted within the Mixed Use 2 Zone, and the specific business type meets the standards of review for a "non-pedestrian" oriented use as described further in Section 3 below.

Furthermore, none of the exceptions to the use of the Class 1 categorical exemption identified in State CEQA Guidelines section 15300.2 apply. The project will not result in a cumulative impact from successive projects of the same type in the same place, over time. There are no unusual circumstances surrounding the project that result in a reasonable possibility of a significant effect on the environment. The project will not damage scenic resources, including trees, historic buildings, rock outcroppings, or similar resources. The project does not include any hazardous waste sites. Thus, the Class 1 exemption applies, and no further environmental review is required.

Section 3. Minor Conditional Use Permit Findings

With respect to Minor Conditional Use Permit MCUP 21-246, the Zoning Administrator finds as follows:

- A. The proposed use is permitted within the subject zone pursuant to the approval of a Minor Conditional Use Permit and complies with all the applicable provisions of this title, the San Clemente General Plan and the purpose and intent of the zone in which the use is being proposed, in that:
 1. Professional office uses are permitted within the Mixed Use 2 Zone; and
 2. The project supports the General Plan Economic Development Policy ED-2.03, which states, "We give high priority to initiatives, investments, and the allocation of municipal resources that help businesses remain and prosper in San Clemente."
- B. The site is suitable for the type and intensity of use that is proposed, in that:
 1. Professional office uses are permitted within the Mixed Use 2 Zone; and
 2. The proposed use does not result in an increase of the required amount of

on-site parking spaces.

- C. The proposed use will not be detrimental to the public health safety, or welfare, or materially injurious to properties and improvements in the vicinity, in that:
1. Professional office uses are permitted within the Mixed Use 2 Zone;
 2. The proposed use does not result in an increase of the required amount of on-site parking spaces;
 3. The applicant is required to obtain a building permit for any interior tenant improvements to ensure the work is completed appropriately; and
 4. City staff reviewed the proposed use for consistency with the General Plan, the Zoning Ordinance, and other applicable City provisions and supports the proposed use subject to attached conditions.
- D. The proposed use will not negatively impact surrounding land uses, in that:
1. Professional office uses are permitted within the Mixed Use 2 Zone; and
 2. The tenant suite is an existing commercial space, and the proposed use does not result in an increase of the required amount of on-site parking spaces;
- E. The use sufficiently generates pedestrian activity to be appropriate in a pedestrian-oriented space;
1. The business owner already operates the same business a block to the southeast within the Pedestrian Overlay;
 2. The business accepts walk in clients; and
 3. The business offers financial services, and financial service institutions are considered a pedestrian-oriented use.
- F. Current market conditions make it reasonably necessary to allow a use that does not generate significant pedestrian activity in order for the subject space to remain occupied.
1. The future vision in the North Beach area is to enhance the pedestrian environment. However, the built environment is not yet supportive of requiring all businesses that front along El Camino Real to be pedestrian oriented. There are limited opportunities for spaces that front on the alley or are not on ground level in this area along El Camino Real;
 2. Longer blocks, higher speeds of traffic, and vacancies within the North El Camino Real corridor contribute to the lack of existing pedestrian orientation;
 3. Two of the six commercial suites in the building (including the subject location)

have been on the market and available.

4. There are multiple current vacancies within a quarter mile of this site along N. El Camino Real at suites that also fall into the Pedestrian Overlay: 1401 N.ECR, 1402 N.ECR, 1403 N.ECR, and 1450 N.ECR.
5. Filling vacancies with stable long-term tenants is an important step towards achieving pedestrian orientation in the future;
6. This business is locally owned and operated and is relocating from a building that is block to the south and also within the Pedestrian Overlay; and
7. The project supports the General Plan Economic Development Policy ED-2.03, which states, "We give high priority to initiatives, investments, and the allocation of municipal resources that help businesses remain and prosper in San Clemente."

Section 4. Zoning Administrator Approval

Based on the foregoing recitals and findings, and the written and oral comments, facts, and evidence presented, the City of San Clemente Zoning Administrator approves Minor Conditional Use Permit MCUP 21-246, subject to the Conditions of Approval set forth in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the City of San Clemente Zoning Administrator on October 21, 2021

Cecilia Gallardo-Daly, Zoning Administrator

CONDITIONS OF APPROVAL
 Minor Conditional Use Permit MCUP 21-246,
 State Farm Pedestrian Orientation

1.0 GENERAL CONDITIONS OF APPROVAL

- 1.1 Within 30 days of receipt of the signed conditions of approval, the applicant shall submit to the City Planner a signed acknowledgement concurring with all conditions of approval on a form to be provided by the City, unless an extension is granted by the City Planner. Planning
- 1.2 The applicant shall defend, indemnify, and hold harmless the City of San Clemente and its officers, employees, and agents from and against any claim, action, proceeding, fines, damages, expenses, and attorneys' fees, against the City, its officers, employees, or agents to attack, set aside, void, or annul any approval or condition of approval of the City concerning this project, including but not limited to any approval or condition of approval of the City Council, Planning Commission, or City Planner. Applicant shall pay all costs, The City shall promptly notify the applicant of any claim, action, or proceeding concerning the project and the City shall cooperate fully in the defense of the matter. The City reserves the right, at its own option, to choose its own attorney to represent the City, its officers, employees, and agents in the defense of the matter. If the applicant fails to so defend the matter, the City shall have the right, at its own option, to do so and, if it does, the applicant shall promptly pay the City's full cost of the defense. Planning
- 1.3 Use and development of this property shall be in substantial conformance with the approved plans, material boards and other applicable information submitted with this application, and with these conditions of approval. Any modifications to the project shall be reviewed by the City Planner in accordance with Zoning Ordinance Section 17.12.180. Planning
- 1.4 The applicant shall comply with all applicable current and future provisions of the San Clemente Municipal Code, adopted ordinances, and state laws. All
- 1.5 Use of the subject property shall conform to all occupancy requirements, including posting of signs related to the maximum occupancy limitations. Code
Comp
- 1.6 MCUP 21-001 shall be deemed to have expired if within one year of approval the project is not commenced, or the project permitted by the approved application has lapsed, as defined by Zoning Ordinance Section 17.12.150. Planning



All Conditions of Approval are standard, unless indicated as follows:

- * Denotes a modified standard Condition of Approval.
- ** Denotes a project specific Condition of Approval



LEGEND



-  City_500ft_buffer
-  City Boundary
- Address: 1520 N. El Camino Real, Suite 6
- Zoning: MU2-A-P

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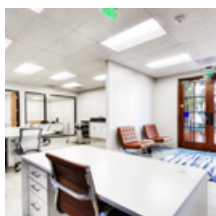
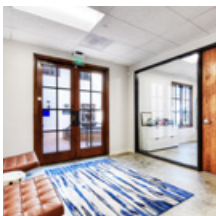
TERRAMOUR ATTACHMENT 3

1520 EL CAMINO REAL | SAN CLEMENTE, CALIFORNIA



Terramour Beachside Commercial Suites is a fresh new for sale offering in the heart of California's quintessential beach town, San Clemente. The property offers an elegant and sophisticated option at an affordable price point, with ocean views and convenient access to all of Orange County and San Diego. With signature touches that create a sense of arrival and a luxurious use of materials and a refined color palette, the property is a welcoming and peaceful retreat in a highly walkable neighborhood.

- Architecturally Appealing Interior And Exterior
- On-Site Parking And Street Parking
- Reserved Subterranean Parking
- Luxuriously Appointed Rooftop Deck With Ocean View
- Located On North El Camino Real In North Beach San Clemente
- Walking Distance To Train Station And Ole Hanson Beach Club
- Great North Beach Location Near San Clemente Outlets



TIM WALKER
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LEE & ASSOCIATES
NEWPORT BEACH

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TERRAMOUR

1520 EL CAMINO REAL | SAN CLEMENTE, CALIFORNIA



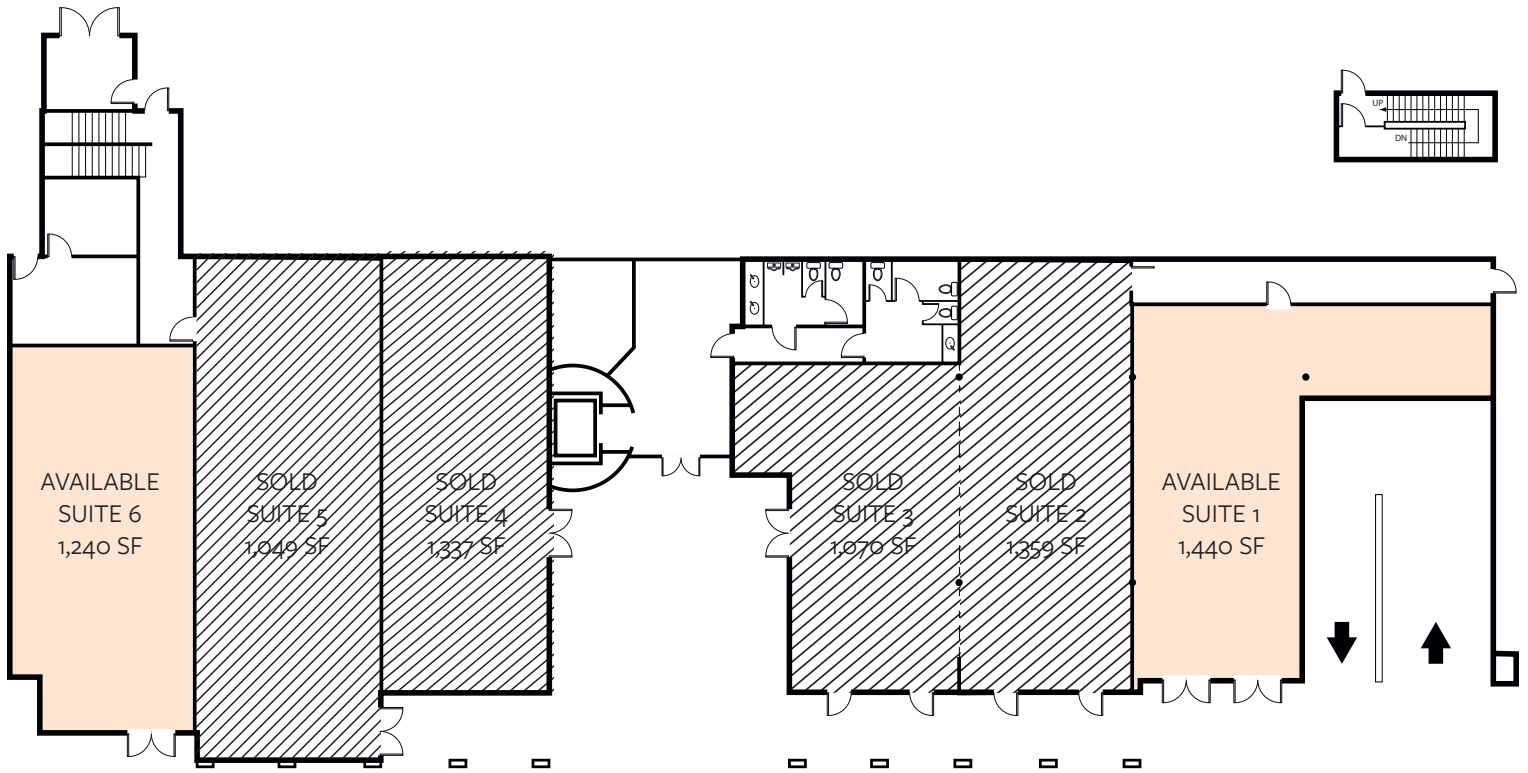
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1520 EL CAMINO REAL | SAN CLEMENTE, CALIFORNIA



SUMMARY

SUITE #	SIZE (SF)	STATUS	RESERVED PARKING SPACES
1	1,440	AVAILABLE (POSSIBLE LEASE)	Four (4)
2	N/A	SOLD	N/A
3	N/A	SOLD	N/A
2-3	N/A	SOLD	N/A
4	N/A	SOLD	N/A
5	N/A	SOLD	N/A
6	1,240	AVAILABLE	N/A

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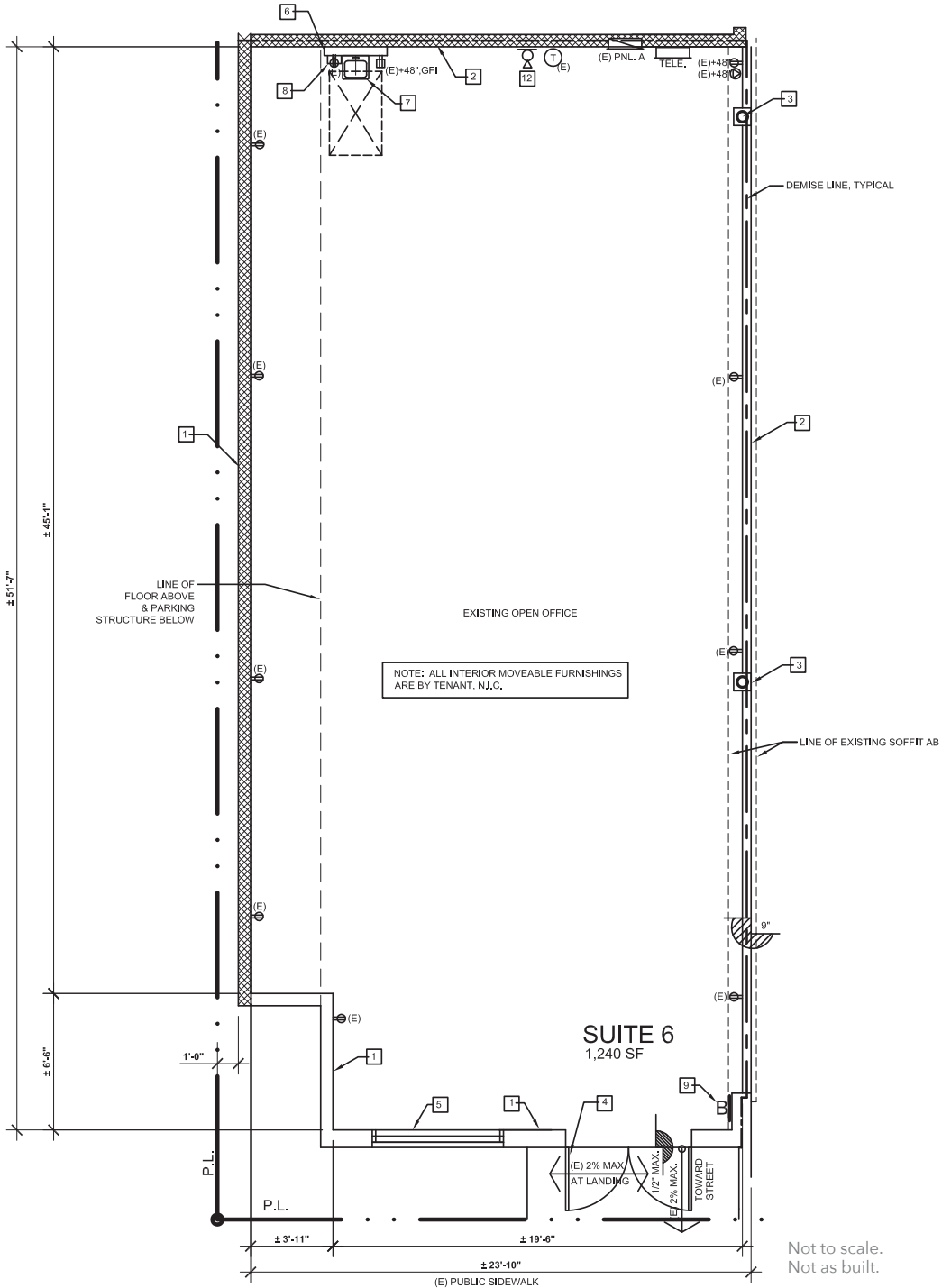
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TERRAMOUR

1520 EL CAMINO REAL, SUITE 6 | SAN CLEMENTE, CALIFORNIA

1,240 SF



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ATTACHMENT 4

NORTH BEACH COMMUNITY ASSOCIATION

September 7, 2021

David Carrillo
City Of San Clemente Planning Department
910 Calle Negocio
San Clemente, CA 92673

Mr. Carrillo,

The North Beach Community Association is writing in support of allowing Greg Rosalino to obtain his requested business license so that State Farm may continue to be a staple in the North Beach business community. Greg recently closed escrow on a commercial unit in a relatively new development in the North Beach area, located at 1520 N El Camino Real. For the past 10 years Greg has operated his business as a tenant on the west (opposite) side of N. El Camino Real and just a few hundred yards up the street from his recently purchased office space. He has worked hard to grow his business and save the necessary funds to achieve his goal and purchase a property of his own. Only to learn through a denial of his business license application that the zoning specifically prohibits Insurance Companies to obtain a business license to operate in the North Beach area.

Greg is an important part of the surrounding community which he serves and has been so for the past decade. Greg's business model is far from that of the standard insurance large corporate office. Rather he is completely accessible to his potential and existing clients who regularly walk into his store front to get one on one service on a myriad of financial and insurance needs.

It is important for our community to have an agent and financial advisor with a business centered around an open-door policy, welcoming and encouraging his customers to come in and speak face to face. It is rare and refreshing to walk in off the street with no appointment and within minutes be sitting down with a licensed advisor. It is very much an appreciated and valued service in the North Beach community.

Beyond his multi-faceted approach to catering to the North Beach residents with an extensive package of financial programs, he is personally reinvesting in his community. He has been a leader and role model through his service as a volunteer Board of Director for the San Clemente Boys and Girls Club for the past 5 years and also volunteers every other Thursday as a truck driver for the Family Assistance Ministries in town.

Greg is a hard-working, local resident looking to raise his family and grow his business in the North Beach community. He meets the requirements of a financial service business, has ample walk-in business and is reinvesting in a place where he has established deep roots. We ask for your support in aiding his continued success and services in the North Beach Community.

Sincerely,

Tyler Johnson & Eric Anderson
North Beach Community Association Board of Directors



Mr. Adam Atamian
City Planner
910 Calle Negocio, Suite 100
San Clemente, CA 92673

Dear City Planner Atamian:

This letter is written to express the San Clemente Chamber of Commerce's strong support for one of our long-time Chamber members whose business has encountered a stumbling block at the City Planning Department in his attempt to obtain a renewed Business License for the continued operation of his insurance business in the North Beach area of our community. Mr. Greg Rosalino, who owns and operates a State Farm Insurance agency, currently located on North El Camino Real, is the Chamber member subject of this letter. Mr. Rosalino's State Farm business has operated for over a decade in this city; and he has been a 10-year member of the San Clemente Chamber.

As you may be aware, Mr. Rosalino recently purchased a new property at 1520 North El Camino Real, but has been denied a Business License for movement of his business to this new location based on a 15-year-old zoning regulation that prohibits the operation of insurance companies in the North Beach area. Apparently, this restriction against insurance companies was incorporated into this zoning reg based on the notion that insurance companies are considered a "non-pedestrian" type business. Nothing could be further from this perception than Mr. Rosalino's business. His entire business model has always been, and will continue to be, solidly pedestrian oriented and pedestrian focused. His "walk-in" style of business operation and non-appointment required client base has continued to be the heart and soul of how his business has always operated. Therefore, the "Insurance Agency" example that is listed as a non-pedestrian use does not encompass all insurance company business models.

In addition to a variety of insurance services, Mr. Rosalino's business also operates as a financial institution, offering a wide range of financial management services, which are as equally impressive to what any walk-in community bank provides. And banks are considered "pedestrian friendly." That being said, Mr. Rosalino is acting as a financial advisor as well, which should qualify his approval as a Financial Institution.

In addition to being a long-time San Clemente businessman providing great insurance and financial services to local residents, Mr. Rosalino has also been a major contributor to this city's well-being through the giving of his personal time to a variety of community volunteer organizations. He has been a long-time member of the Boys & Girls Club Board of Directors. He volunteers as a driver in support of the Family Assistance Ministries (FAM) organization. He's always open to doing whatever is asked of him in "giving back" to the community.



Mr. Rosalino has worked hard at growing his business within the North Beach community area; and he has now achieved the opportunity to grow it even further with his planned relocation to a more visible office site. As an advocate for all businesses and for a strong economic posture within our community, the Chamber of Commerce respectfully requests your reconsideration of Mr. Rosalino's License request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Wynne".

Jim Wynne
Chairman of the Board
San Clemente Chamber of Commerce

Copy to:
Files
Community Development Director
Chair, San Clemente Planning Commission