

REPORT TO CITY COUNCIL AND PLANNING COMMISSION

DATE: SEPTEMBER 23, 2014

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
AND MEMBERS OF THE PLANNING COMMISSION

FROM: GREG RAMIREZ, CITY MANAGER

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY
DEVELOPMENT *MK*

SUBJECT: AGOURA VILLAGE SPECIFIC PLAN STUDY SESSION

The Agoura Village Specific Plan (AVSP), adopted in 2008, was the result of a long range, comprehensive planning effort by the City of Agoura Hills that identifies the vision for Agoura Village and provides regulations and guidelines for new development and redevelopment of the area. The purpose of the AVSP is to establish a framework for development within the area by providing development and land use standards, design guidelines, a logical system of circulation and parking, and a cohesive set of public improvements, all of which would lead to the creation of a special sense of place in this important area of our city. Individual developments are reviewed by the City to ensure adherence to the regulations and guidelines contained in the Specific Plan.

Since adoption of the AVSP, City staff, as well as the City's Agoura Village Policy Committee (consisting of City Council and Planning Commission representatives), have reviewed a number of projects submitted by developers. A number of issues have arisen as part of review of these projects, including the inconsistency of proposed projects with the vision and requirements of the Specific Plan (see below).

It has been some time since the preparation and adoption of the AVSP and a number of projects have since been submitted for review recently. Note that even though the AVSP was first adopted in 2006, a lawsuit resulted in revising the EIR which required re-adoption of the Specific Plan in 2008, which was then followed by the largest economic downturn since the Great Depression. As a result, development projects did not move forward for some time. Therefore, the purpose of this Study Session is to revisit the Specific Plan to re-educate and re-inform the Council and Commission on the contents of the AVSP, to summarize the challenges and issues encountered over the years in implementing the Specific Plan, and to review if the Specific Plan is still realistic given today's economic realities. Staff would like to conclude the study session by receiving

direction, if necessary, from the City Council. The Planning Commission's role in the study session will be advisory to the Council. Staff will follow up as directed.

At the study session, Kosmont Associates, a real estate economics consulting firm, will provide a summary of the updated market conditions and potential economic development tools. Also contributing to this study session will be RRM Design Group, the planning consultant who prepared the AVSP. RRM will make a presentation on walkability and connectivity in Agoura Village. Both consultants will provide analysis of certain projects in review and will also be available for questions.

AVSP VISION AND ISSUES ENCOUNTERED

As contained in the AVSP, the vision for Agoura Village is to create a welcoming, pedestrian-friendly atmosphere that captures the character of Agoura Hills. The Village area will be a destination, not just pass through, with emphasis on pedestrian orientation and activity and less vehicular appearance. Agoura Village, as a whole, will contain spaces for public gatherings, will be a center of community activity, and the mix of commercial and residential uses will create a 24-hour environment. Development in Agoura Village will be designed to respect and fit into the natural surroundings. Over time, the Village area will be shaped into an identifiable, vibrant, and inviting place with an intimate streetscape lined with storefronts and would become a comfortable place to gather, shop, dine, and stroll.

The AVSP identifies the following ways to achieve the AVSP vision:

- Allow for mixed use development –
 - a. Commercial is primary, residential is secondary (note that maximums are established for residential, but not commercial). Residential and commercial uses must be developed at the same time on a project.
 - b. Vertical and horizontal mixed use (specific locations identified for vertical vs. horizontal).
 - c. Create community gathering places.
 - d. Establish land use limitations.
- Establishment of site planning requirements, physical development standards, land use limitations, as well as design guidelines to help create a village atmosphere. Buildings oriented toward the street, with parking lots located behind the buildings. Development designed to be human-scale.
- "Poly Centric" Agoura Village – Create a "village" within a "village" in three distinct subzones within the AVSP area. Each of the 3 subzones would fulfill the vision of the Specific Plan instead of individual projects. It is important to note that the village concept, as a whole, was intended to be a destination and that various components of the village, such as public gathering spaces, are not necessary at each location. Therefore, over time, projects cumulatively will accomplish the Agoura Village vision, and not

individual projects singlehandedly.

- Allow for shared parking for mixed uses, including creating parking districts and public parking lots. This allows people to park once and walk to various businesses in the Village.
- Intersection of Kanan and Agoura as a focal point and a unique feature in the Village and to achieve desired LOS. (The City Council directed staff on September 10, 2014 to amend the AVSP to include a signalized traffic intersection instead of a roundabout and to emphasize enhanced aesthetic features at this Village gateway.)
- Public right-of-way improvements—enhanced sidewalks, medians, on-street parking, diagonal parking, pedestrian amenities, street furniture, and “traffic calming” features.
- Connections to trails, pedestrian and equestrian; new equestrian center, if possible.
- AV Residential Density Bonus to incentivize private development of amenities benefitting the community.
- Protection and buffers to natural creeks and preservation of natural resources.
- Review of individual projects submitted by applicants – case-by-case review, to evaluate compliance with AVSP.

As stated earlier, the City has encountered a number of issues during the course of review of individual development projects in Agoura Village. These issues deal with projects’ inconsistencies with the AVSP provisions (and consequently the vision of the AVSP) due to the current realities of economic conditions.

Below is a summary of issues encountered with development projects proposed within Agoura Village:

- Proposed Mix of Uses and Site Plans Not Entirely Consistent with AVSP
 - Current soft market for retail/commercial and high demand and availability of financing for residential results in development proposals that are primarily residential with just minimal retail/commercial to achieve viable mixed-use. AVSP establishes maximums for residential but there are no minimums for commercial.
 - AVSP does not distinguish between retail and office regarding what is considered “commercial.” Thus, office may be dominant commercial use, thus not attracting pedestrian traffic necessary to create a village.
 - Some developments proposed inward orientation of projects instead of onto Agoura Road which was meant to create a storefront image. It should be noted that retailers typically desire public entrance near where there is the most parking which typically would be on the interior. Also developers cite that Agoura Road is not attractive environment to face outward given existing storage uses and service station.

- Site planning and mix of uses not creating a vibrant pedestrian village, but separate, independent uses.
- Environmental-related Measures in the AVSP
 - Developable area is constricted by existing resource protection measures, such as the 50-100 ft. buffer zone.
- Other Issues
 - In order to create a connected mixed use village/community gathering space, does each project have to include all or most of the components or just some? Is that feasible, realistic, or necessary for smaller project? The combination of projects can create the mixed use village that is desired.
 - In some instances there is no master developer for a project, rather separate developers for each component (e.g., residential, hotel, retail), thus not resulting in cohesive, connected design.
 - Visual appearance of project density vs. maximum allowed density.

SUMMARY AND RECOMMENDATION

It is common for cities to conduct a comprehensive review of their specific plans from time to time and to make necessary refinements and adjustments to address changed conditions. In fact, the City of Agoura Hills has reviewed and approved a number of amendments to the Ladyface Mountain Specific Plan over the years.

The purpose of this Study Session is to provide a “refresher course” on the Agoura Village Specific Plan and to summarize the challenges and issues encountered over the years in implementing the Agoura Village Specific Plan and to review if the Specific Plan is still realistic given today’s economic realities. Staff recommends that the City Council receive the information, and if the Council agrees that adjustments and refinements are warranted to the AVSP, it is further recommended that staff be directed to:

Explore possible adjustments and refinements to AVSP provisions, such as:

- Adjust/refine overall amount of commercial and residential mix in AVSP, including amount of vertical and horizontal mix.
- Adjust/refine site planning requirements in AVSP, e.g., internal vs. external orientation and phasing of development, e.g., not all retail has to be developed at first phase.
- Establish further parameters regarding the “Polycentric Village” zones.
- Adjust/refine buffer requirements and encroachment limitations to protection zones.

Explore possible administrative changes to consider, such as:

- Focus attention on three key projects currently in review, which are the properties at the SE and SW corners of Kanan and Agoura and the SE corner of Kanan and Cornell.
- In addition to below, what other incentives can the City provide to foster development?
 1. Agoura Road improvements to be completed by City
 2. RDA housing requirement is no longer applicable.
 3. City approved underground utilities ordinance amendment.
 4. Shared parking allowed and on-street parking can be counted toward parking requirement.
 5. Individual development projects can piggyback subsequent environmental documents from master EIR prepared for AVSP.

In addition to the above, Kosmont Associates will make a presentation on various available economic development tools such as private-public partnerships, land use and zoning incentives, and economic development incentive programs which the Council may wish to direct staff to explore further. Moreover, through a real estate/economic development consultant, the City can be more proactive in negotiating and making project changes with individual developers.

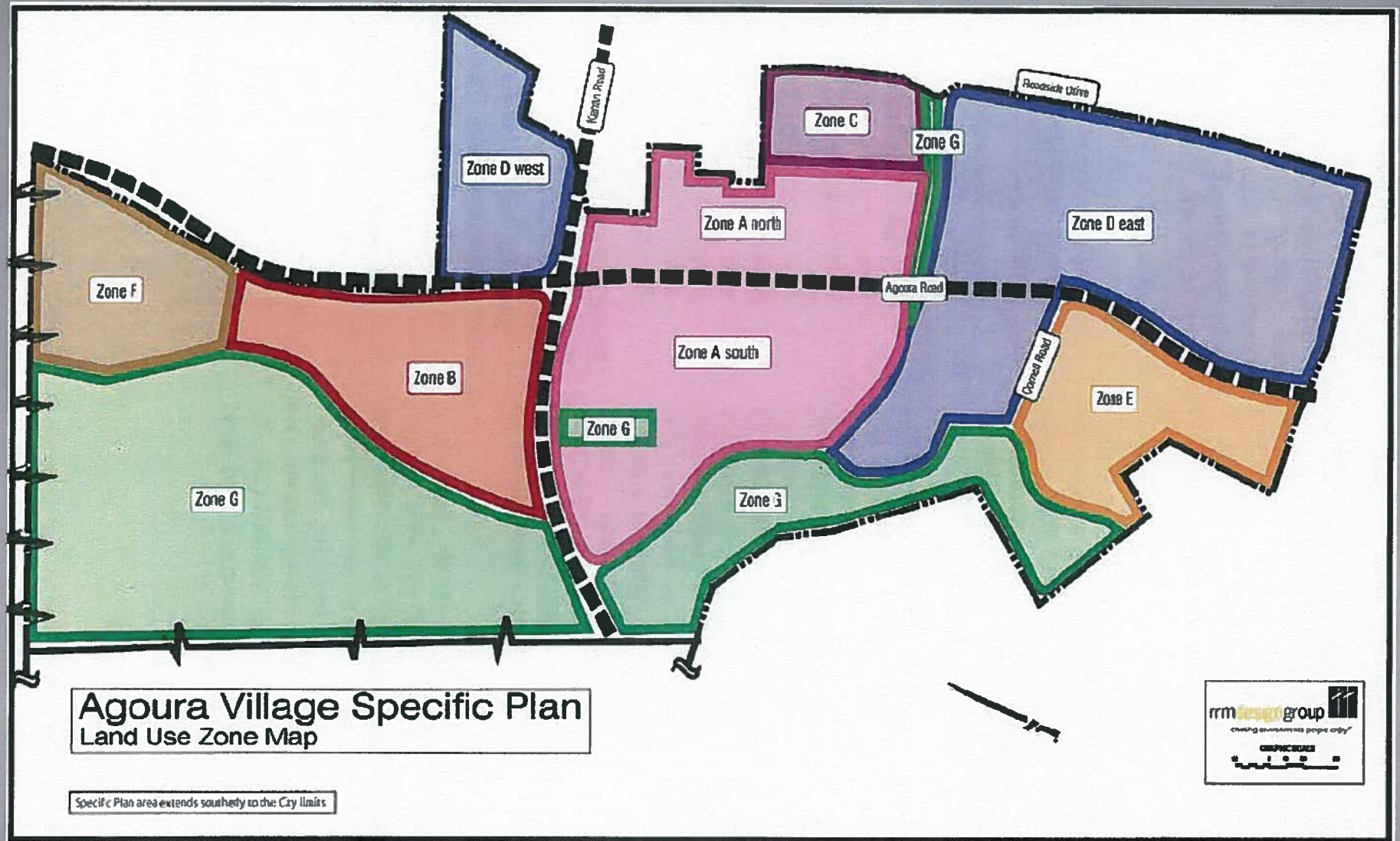
Staff can explore and analyze the above in further detail with the Land Use/Economic Development Committee for recommendation to the City Council.

Staff respectfully requests feedback and direction from the City Council, with recommendations from the Planning Commissioners in attendance.

Attachments:

1. Agoura Village Specific Plan Land use Zone Map
2. Agoura Village Specific Plan Market Study Handout

Specific Plan Zone Map



Joint City Council & Planning Commission Workshop

Agoura Village Specific Plan Market Study Handout

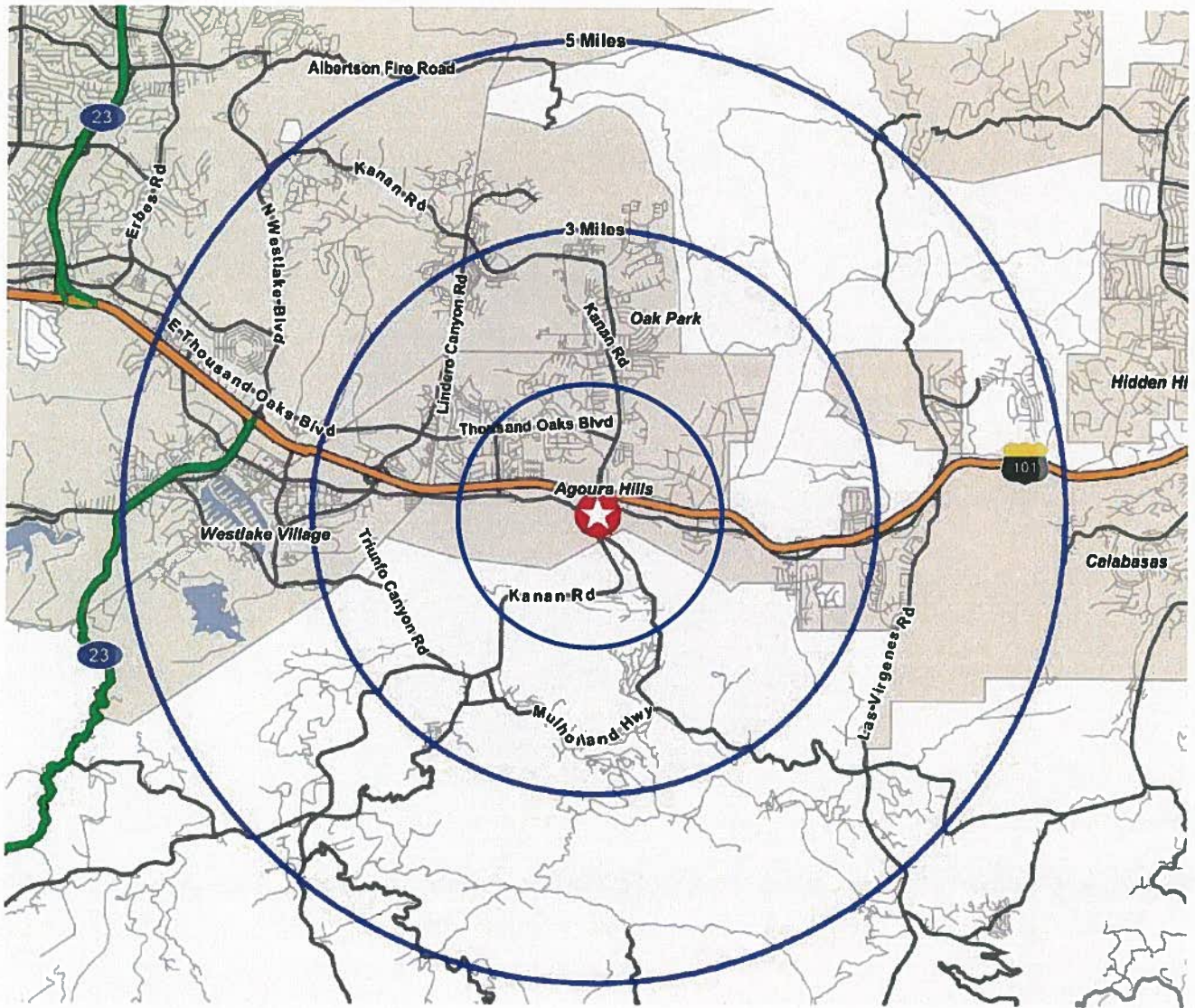
September 23, 2014



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Market Data Handout

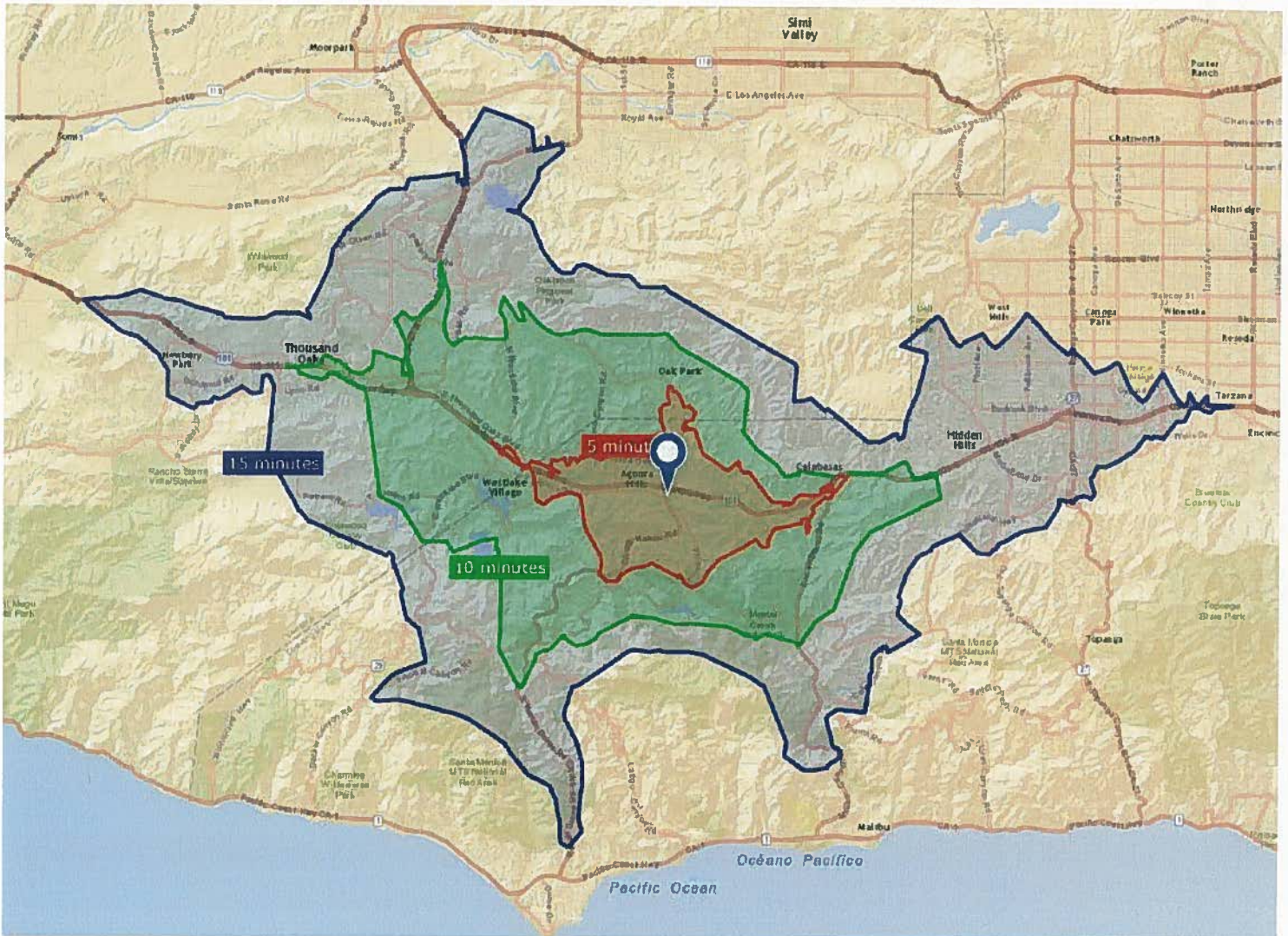
Trade Area Map in Miles



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Market Data Handout

Trade Area Map In Miles



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Market Data Handout

Demographics

	City	1 Mile	3 Mile	5 Mile
Population	20,431	3,315	37,709	77,062
Median Age	44.4	44.8	44.9	44.9
Housing Units	7,690	1,283	14,567	30,841
Owner Occupied	80.0%	81.2%	74.4%	70.6%
Renter Occupied	20.0%	17.1%	22.7%	25.6%
Median Household Income	\$110,716	\$123,941	\$120,620	\$115,938
Median Disposable Income	\$85,493	\$79,685	\$87,882	\$85,773
Per Capita Income	\$52,423	\$50,248	\$54,762	\$55,571
Median Home Value	\$689,700	\$606,699	\$596,147	\$625,711

Source: ESRI Retail MarketPlace Profile, August 19, 2014 and United States Census Bureau

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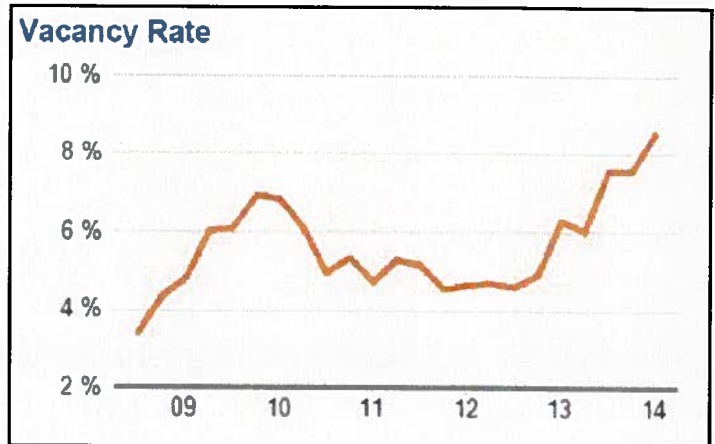
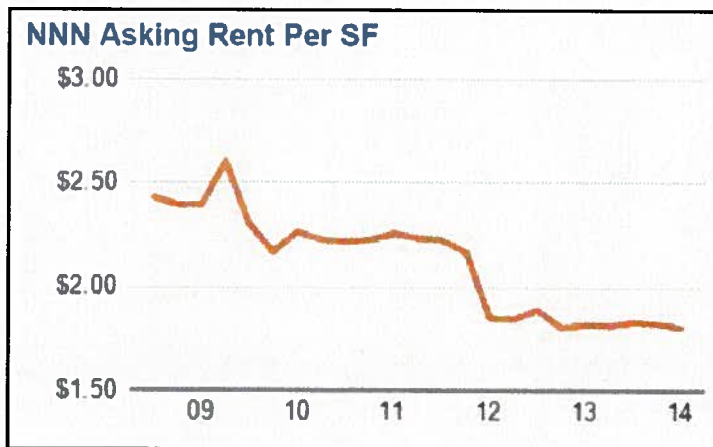
Retail Market Data

Availability	Survey	5-Year Avg
NNN Rent Per SF	\$1.81	\$2.07
Vacancy Rate	8.5%	5.7%
Vacant SF	160,328	96,121
Availability Rate	9.7%	9.0%
Available SF	189,028	156,757
Sublet SF	4,889	329
Months on Market	13.5	10.2

Inventory	Survey	5-Year Avg
Existing Buildings	125	119
Existing SF	1,877,924	1,697,174
12 Mo. Const. Starts	240,346	55,391
Under Construction	65,705	35,903
12 Mo. Deliveries	174,641	8,136

Demand	Survey	5-Year Avg
12 Mo. Absorption SF	98,107	-3,967
12 Mo. Leasing SF	111,219	58,533

Sales	Past Year	5-Year Avg
Sale Price Per SF	\$370	\$414
Asking Price Per SF	\$243	\$256
Sales Volume (Mil.)	\$1.2	\$9.7
Cap Rate	-	6.7%



Source: CoStar Three Mile Market Report, August 26, 2014

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Retail VOID Data

	3 Mile	5 Mile
Banks (AmericanWest, Bank of the West)	VOID	VOID
Clothing Apparel (multiple)	VOID	VOID
Drug Stores (Walgreens)	VOID	VOID
Fitness (Curves, Gold' Gyms, Planet Fitness)	VOID	VOID
Office Supply (Office Depot, Office Max)	VOID	VOID
Bagels (Bruegger's, Einstein Bros, Noah's)	VOID	VOID
Coffee (Peet's, Seattle's Best, Tully's)	VOID	VOID
Ice Cream (Ben & Jerry's, Froots, Red Mango)	VOID	VOID
Wireless (Sprint, T-Mobile)	VOID	VOID

Source: SitesUSA Merchant Void Analysis, August 19, 2014

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Market Data Handout

Highlights of Retail Leakage Data

Total Retail Trade and Food & Drink **\$ 8.3M**

Total Retail Trade **\$27.8M**

Auto Dealers **\$ 54.5M**

Home Furnishings **-\$ 21.1M**

General Merchandise **\$ 52.3M**

Nonstore Retail **-\$115.2M**

Total Food & Drink **-\$19.5M**

Green = Leakage (+)

Red = Surplus (-)

Source: ESRI Retail MarketPlace Profile, August 19, 2014

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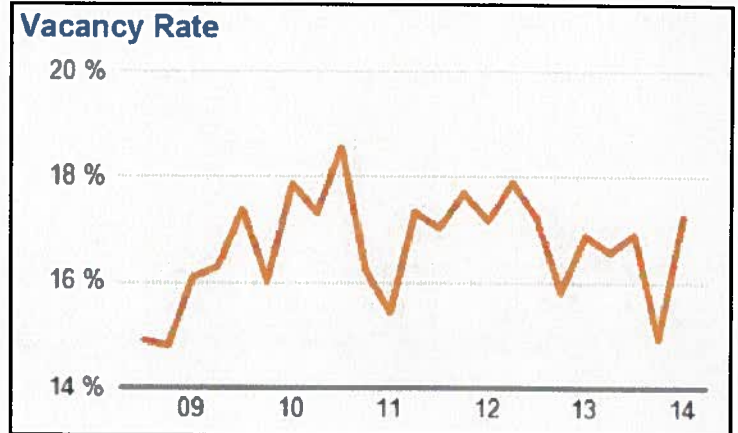
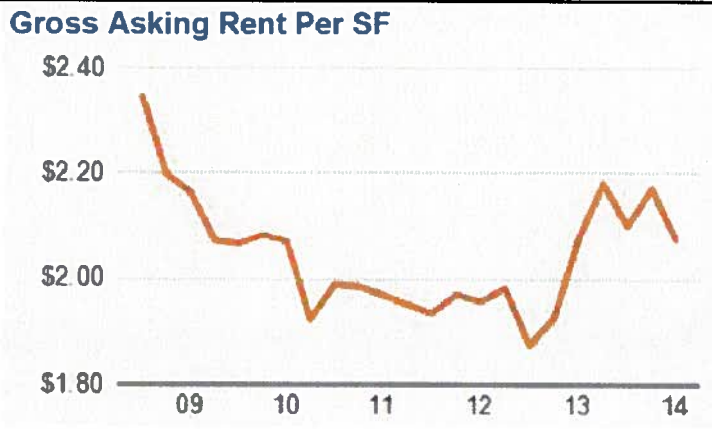
Office Market Data

Availability	Survey	5-Year Avg
Gross Rent Per SF	\$2.07	\$2.03
Vacancy Rate	17.3%	16.8%
Vacant SF	820,924	792,736
Availability Rate	19.6%	21.3%
Available SF	931,187	1,008,080
Sublet SF	34,050	74,399
Months on Market	14.7	14.5

Inventory	Survey	5-Year Avg
Existing Buildings	126	125
Existing SF	4,755,669	4,707,911
12 Mo. Const. Starts	0	23,823
Under Construction	0	22,541
12 Mo. Deliveries	0	34,652

Demand	Survey	5-Year Avg
12 Mo. Absorption SF	-67,945	14,808
12 Mo. Leasing SF	560,143	394,949

Sales	Past Year	5-Year Avg
Sale Price Per SF	\$128	\$137
Asking Price Per SF	\$301	\$247
Sales Volume (Mil.)	\$62	\$26
Cap Rate	-	6.5%



Source: CoStar Three Mile Market Report, August 26, 2014

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Market Data Handout

Retail and Office Market Data Comparisons

	Agoura Hills	Calabasas/ Westlake	Camarillo/ Point Mugu	Moorpark/ Simi Valley	Thousand Oaks/ SE County
Retail Rent	\$1.81	\$2.03	\$2.04	\$1.65	\$2.25
Retail Vacancy	8.5%	5.0%	2.0%	7.9%	6.7%
Office Rent	\$2.07	\$2.20	\$1.78	\$1.88	\$2.03
Office Vacancy	17.3%	12.5%	15.5%	10.68%	13.9%

Source: CoStar Market Report, September 16, 2014

	Agoura Hills	Conejo Valley	San Fernando Valley	Ventura County	Greater Los Angeles Area
Retail Rent	\$1.81	-	\$1.82	\$2.42	\$2.11
Retail Vacancy	8.5%	-	6.1%	5.8%	5.6%
Office Rent	\$2.07	\$2.19	\$2.19	\$2.15	\$2.65
Office Vacancy	17.3%	18.3%	13.9%	18.8%	16.1%

Source: CoStar Three Mile Market Report, August 26, 2014, CBRE Q2 2014 Retail Report, CBRE Q2 2014 Office Report, San Fernando Valley Business Journal July 28, 2014

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Market Data Handout

Residential Market Data

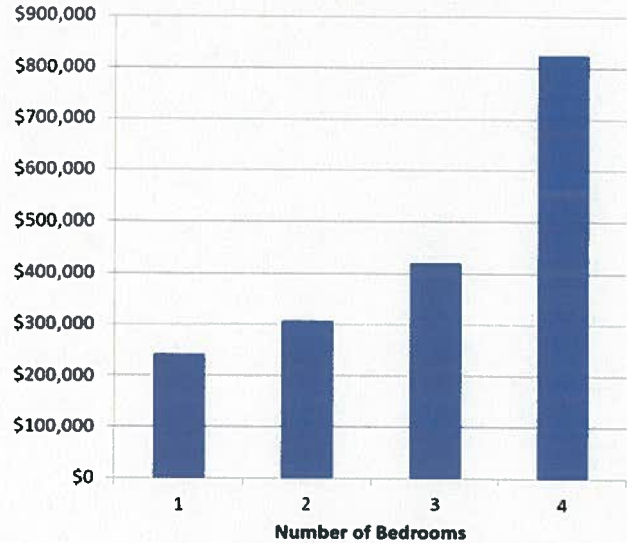
Apartment Rental Market Data

Inventory in Units	Survey	5-Year Avg
Existing Units	879	818
12 Mo. Const. Starts	0	0
Under Construction	0	0
12 Mo. Deliveries	0	0

Leasing Units	Survey	5-Year Avg
Vacant Units	25	40
Vacancy Rate	3.1%	4.9%
12 Mo. Absorption Units	2	3

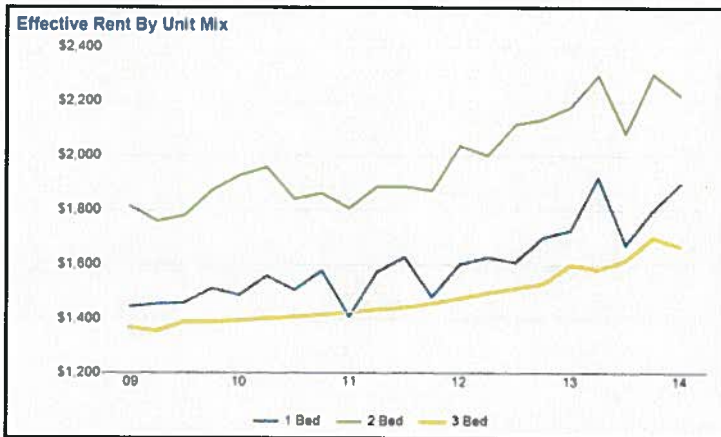
Source: CoStar Citywide Market Report, August 28, 2014

Condo/Townhouse Ownership



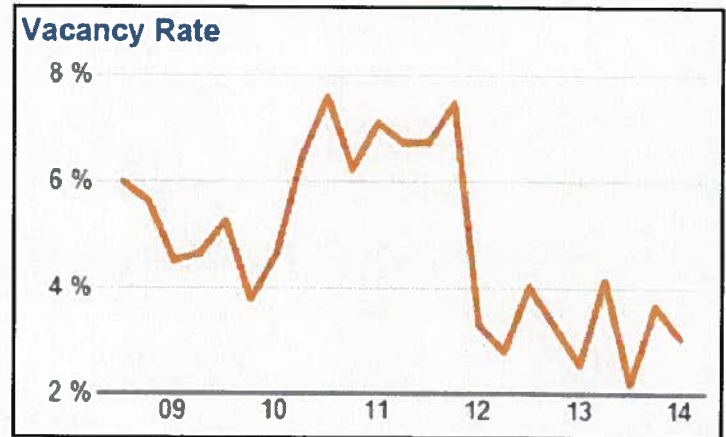
Source: Zillow, August 29, 2014

Apartment Rent by Number of Bedrooms



Source: CoStar Citywide Market Report, August 28, 2014

Apartment Rental Vacancy



Source: CoStar Citywide Market Report, August 28, 2014