

**MINUTES
PLANNING COMMISSION REGULAR MEETING
AUGUST 17, 2010**

1.0 CALL TO ORDER

The Regular Meeting of the Planning Commission of the City of Highland was called to order at 6:02p.m. by Chairman Hamerly in the Donahue Council Chambers, 27215 Base Line, Highland, California.

Present: Commissioners John Gamboa, Richard Haller, Milton Sparks, Michael Stoffel and Michael Willhite, Vice Chairman Trang Huynh and Chairman Randall Hamerly

Absent: None

Staff Present: John Jaquess, Community Development Director
Ernie Wong, City Engineer
Lawrence Mainez, City Planner (arrived at 6:15pm)
Bruce Meikle, Senior Planner
Sean Kelleher, Assistant Planner
Linda McKeough, Administrative Assistant III

2.0 COMMUNITY INPUT

There was none.

3.0 CONSENT CALENDAR

There were no Items.

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4.0 AGENDA ITEMS

- 4.1 The Applicant is proposing a revision to Engineering Condition Number's 3, 4, and 17 of Minor Subdivision 03-005 (Parcel Map 16277) Conditions of Approval. The Project is generally located at the southwest corner of the intersection of Cypress Street and Eucalyptus Drive. APN'S: 1192-251-43, 46, and 47. Representative: Regino T. Gomez.

Chairman Hamerly introduced the item and called for Staff presentation.

Assistant Planner Kelleher gave the presentation from the Staff Report and PowerPoint presentation. He explained the historical background and the Project's Conditions of Approval (COAs) to the Commission and then concluded his presentation.

Chairman Hamerly asked if the Commission had any questions of Staff.

Discussion ensued between the Commission and Staff regarding what transpired between the Original Developer, the Property Owners of Parcel Nos. 2 and 3, and whether or not the Project had defaulted and if each Property Owner received a share of the Parcels.

Chairman Hamerly asked if the Commission had any further questions of Staff. Hearing none, he then opened the Public Hearing and asked if the Applicant would like to make a presentation.

Mr. Regino Gomez, 8030 Cooley Street, of California, who owns the Parcel on Cypress, addressed the Commission, through a female interpreter.

Discussion ensued between the Commission, Mr. Gomez and his interpreter and Staff regarding that Mr. Gomez understands and concurs with the proposed Revisions.

Chairman Hamerly asked if anyone else would like to speak on the item. Hearing none, he then left the Public Hearing open and then opened the floor for discussion amongst the Commissioners.

Discussion ensued between the Commission and Staff regarding the Applicant paying the in-lieu fee instead of construction, there is an existing occupancy on Parcel No. 1, and the Original COAs requiring curb, gutter and sidewalk along the frontage on all three (3) Parcels. The Revised COAs also deletes with the construction of the sidewalk on Parcel No. 1 with the reduction of the scope of work when Parcel Nos. 2 and 3 develop, and how the others will either pay their fair share or in-lieu fee, or construct on all three (3) Parcels. It was noted the sidewalk would be constructed in front of Parcel Nos. 2 and 3.

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Chairman Hamerly asked if anyone else would like to speak on the item. Seeing none, and there being no further questions of the Applicant or Staff, or discussion amongst the Commissioners, he closed the Public Hearing and then called for the question.

A MOTION was made by Vice Chairman Huynh and seconded by Commissioner Haller to Adopt Planning Commission Resolution No. 10-010 approving Revision Application (REV-010-001) subject to the recommended Conditions of Approval, and Findings of Fact.

Motion unanimously passed on a 7 – 0 vote.

4.2 Conditional Use Permit 010-002, an Application submitted by Highland TREH X, LLC proposing the following for the Highland Crossroads Project:

1. Four (4) Alternative Site Plans (TREH-02, TREH-03, TREH-04 & TREH-05);
2. A request for two (2) ABC Licenses for Alcohol Sales for a Convenience Store / Service Station (Type 20, Off-site Sale Beer and Wine) and a Restaurant (Type 47, On-site Sale General Bona Fide Eating Place), and;
3. Amendments to the Highland Crossroads' approved Sign Program.

The Project is located on an approximate 5.1 acre Site (originally an 8.3-acre Site) consisting of three (3) adjoining parcels on the south side of Greenspot Road approximately 1,300 feet east of the 210 Freeway (APNs: 1201-341-22, -23 and -24). Representative: Ed Horovitz, Co-Manager - Highland TREH X, LLC

Staff distributed Revised Engineering COA No. 12 to the Commission.

Chairman Hamerly introduced the item and called for Staff' presentation.

Senior Planner Meikle gave the presentation from the Staff Report and PowerPoint presentation and explained the detailed Project and the historical background, along with the Applicant's request to the Commission. He explained the Project's Conditions of Approval (COAs) and Alternative Site Plans and ABC Type 20 Licenses and Amendments to the Sign Program to the Commission and then concluded his presentation.

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City Engineer Wong explained the proposed Revisions to the Engineering COA No. 12 that was distributed to the Commission.

(Note: City Planner Mainez arrived at 6:15 p.m.)

Chairman Hamerly asked if the Commission had any questions of Staff.

Discussion ensued between the Commission and Staff regarding Conceptual Building Elevations and Landscape Plans provided for the Commission's information, necessary amendments to the Water Quality document, how the CUP and ABC Type 20 and 47 Licenses would run with the property and depends on which Site Plan the Developer would build and whether or not the ABC Licenses would be for the proposed Gas Station / Convenience Store and/or the Shop Building with a Restaurant or one ABC License activated, and, again, is dependent upon what the Applicant proposes to construct. The Alternative Site Plan configurations and the In-N-Out Burger Restaurant were also discussed.

Chairman Hamerly asked if the Commission had any further questions of Staff.

Further discussion ensued between the Commission and Staff regarding the ABC Licensing and adding a COA with either "or" or an "and / or" and not leave the 20 / 47 ABC Licenses with a discrepancy in the future on whether or not the Applicant goes with the Gas Station / Convenience Store Plans or the Shop Building for a Restaurant. Does the Commission approve ABC Licensing without seeing a Site Plan and how the ABC Licensing procedure was done for San Manuel Village (located at Highland Avenue / Boulder Avenue) with one (1) License for the Hotel and two (2) for the Restaurants was also discussed.

Discussion ensued between the Commission and Staff regarding how the Monument Sign for the Gas Station / Convenience Store shows that it is approved on the Plans and if the Gas Station / Convenience Store is not built, is the Commission leaving itself open for debate on how the Monument Sign would look if the Gas Station is not built and would be similar to the Monument Sign that is behind the Lindora Site that was supposed to be for a gas station sign and that did not come in and does not want to leave a "black hole" similar that that behind Lindora. Staff indicated how the Applicant could ask for two (2) Monument Signs and under the Municipal Code, has to come to the Commission for review. The Commission asked about the appropriateness of pulling the Specific Signs; the smaller Tenant Monument Signs for design review and have the Applicant explain that. It was also noted the Sign Program for the Freeway Sign is a separate Item that will be considered later tonight by the Commission.

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Chairman Hamerly asked if the Commission had any further questions of Staff. Hearing none, he then opened the Public Hearing and asked if the Applicant would like to make a presentation.

Mr. Tom Robinson, 4590 MacArthur Boulevard, Suite 500, Newport Beach, California, who is Mr. Horovitz's partner, addressed the Commission. He stated how the In-N-Out Burger Restaurant wants to move forward as a complete package including Signage with one complete approval or it won't work for them. Regency obtained the previous approvals and they designed Majors 2 and 3 and they are using the same Architect for In-N-Out. There is competition in the market place and they need approvals for their Plans. Mr. Robinson further explained how he attended the ICSC in Las Vegas in May. He reiterated how the market is very competitive with Plans and Signage and he further explained the Signs to the Commission and if there is a major deviation and needed to return to the Commission, he would be fine with that. He explained how there is no gas station in that area and how the option for Pad 1 was left open for either for a Restaurant or a Gas Station / Convenience Store and added the Restaurant may be 4,000 square feet in size and that configuration may change a little, but will stay within that Pad in the front. Mr. Robinson then explained the Site location, the Site's marketability and design of the In-N-Out (Burger) Restaurant and requested the Commission approve the Conceptual Drawings and Signage for the Majors 2 and 3 Buildings.

Discussion ensued between the Commission, Mr. Robinson and Staff regarding the Applicant's request for the Conceptual Approval for the Majors 2 and 3 Buildings that are not on the Commission's Agenda as an action item, the Commission to provide directives to Staff regarding the Building Elevations and the Conceptual Landscape Plan is on the Commission's Agenda. The Applicant is requesting approval on Conceptual Elevations for the Majors 2 and 3 Buildings, but there are "missing pieces", but can the Commission accommodate the Applicant's needs and provide a conceptual review, at this time. The Commission has the Elevations and Site Plan to review, but is missing a few pieces of information and those could come back under the guise of the design review, but reiterated the Commission could do the Conceptual review, at this time. Mr. Robinson stated there are two (2) things: he is requesting the Commission approve the four (4) Alternative Site Plans and current Site Plan for the Anchors on the Back Pad that showed the 20,000 square foot Building and a 6,000 square foot of Shop space that already has been approved, but is asking for clarification and then explained the Exhibit on Page 97 of the Staff Report. Staff indicated how Regency has approval for a smaller Shop Building.

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Further discussion ensued between the Commission, Mr. Robinson and Staff regarding Major 2, Shop 3, the Applicant has submitted an amendment to the Existing CUP and Site Plan, and not construe any misunderstandings and how the Site Plan / Exhibit on Page 97 of the Staff Report was approved for Regency and that the Applicant is requesting the Commission's approval for the four (4) additional Alternative Site Plants.

Discussion ensued between the Commission, Mr. Robinson and Staff regarding Planning COA No. 60 and the Applicant requests that In-N-Out hours of operation to be 24 hours and how Del Taco has 24 hours of operation. The Applicant stated if they find a Restaurant with a full bar, or an Anchor like a supermarket or a Trader Joe's for the back, the Applicant requested the Liquor Licensing be left open until the Anchor is found for back there and they have exhausted that option. If the Applicant doesn't find a Tenant who needs an ABC License, he won't need it and hopefully will know if he will have an Anchor back there that doesn't need the it (the Liquor License) and then can abandon it and doesn't want it "just hanging out there". Mr. Robinson said if a Restaurant is built on Pad 1, then he wouldn't need to use the Type 20 for the Gas Station / Convenience Store.

Mr. Robinson explained In-N-Out's Monument Sign and he has worked with In-N-Out to bring more elements to tie in with the Multi-Tenant Monument Signs. He then distributed to the Commission a Sign Plan similar to the Sign Plan for the Service Station, shorter than the taller Multi-Tenant Monument Signs, but with the same stone base.

Discussion ensued between the Commission, Mr. Robinson and Staff regarding the orientation and placement of the Monument Signs and that the Monument Signs would be at grade and not in the existing swale and Mr. Robinson responded that is correct and he agreed with Staff with regards to the swale, they need to span the swale with their Signs and , they would have to place the Monument Signs upon pedestals to bridge or cantilever and if any capacity is lost, they will expand the swale.

The Commission encouraged the Applicant to make the Monument Signs in keeping with the tenure of the Project's approved Sign Program and is a move in the right direction. Mr. Robinson responded there are six (6) Panels on the existing Multi-Tenant Monuments and prefers to have the option to negotiate with the Existing Tenants to give up with what they have on the existing Monument Sign and use those Panels for the three (3) Anchor Tenants in back and to do something that is a little more effective and to provide the Anchors with options for increased Signage and instead of six (6) smaller Panels, maybe use two or three (2 or 3) larger Panels for better visibility along Greenspot Road.

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Further discussion ensued between the Commission, Mr. Robinson and Staff regarding the Applicant needing the Monument Sign for the Gas Station and if it is not a Gas Station, then that Sign would be vacated or would the Applicant prefer to keep it for a Tenant Monument Sign. Mr. Robinson responded he would prefer to keep it there because if they don't do a Gas Station there, more than likely it would become a Single Tenant Building and then if the Tenant is a Restaurant, it will require Signage. Mr. Robinson then explained the Lindora and Allstate Signage to the Commission and indicated that Signage is key.

Mr. John Quintane, 13502 Hamburger Lane, Baldwin Park, California, addressed the Commission. He stated how their Queuing Analysis had picked two (2) Southern California Stores that were similar in use and customer base and how the Queuing Analysis for In-N-Out was updated five (5) years ago and how there are more In-N-Out Restaurants in Orange County in a three to five (3 – 5) mile radius and that the Restaurants were picked by the Corporation.

Discussion ensued between the Commission, Mr. Quintane and Staff regarding peak hours during the lunch and dinner times and how the local establishments peak at eleven (11) vehicles. Mr. Quintane explained a person could be in line at peak times for one-half hour and how other In-N-Out Restaurants may take up to sixteen to seventeen (16 - 17) vehicles, but only for a short time interval and always have the Drive-thru moving no matter and indicated that he doesn't want it to be worse than everyone else, but wants to make sure the Site is moving just as well as anybody else and reiterated this is an updated average. Additional queuing demands, how some have sit down options inside and some don't and may have an effect on the queuing demands. The design of the old In-N-Out Restaurants versus the design of the new In-N-Out Restaurants for queuing and the number of grillers / fryers being utilized for production / timing, traffic issues and market research for locations were discussed.

Further discussion ensued between the Commission, Mr. Quintane, Mr. Robinson and Staff regarding the Applicant's request / option for the hours of operation being 24 hours on Planning COA No. 60, and the proposed configurations and traffic patterns of both Major 2 and Shop 3 Building 3 and there were other possible conceivable / optional configurations that were not provided / proposed and the Commission asked the Applicant why he chose those particular configurations. Mr. Robinson explained the Gas Station / Convenience Store is customer-oriented and that as an example Chevron wants and prefers a different layout than Union 76 and how some customers are there for fuel while others are there for the Store merchandise and reiterated it's a Tenant's preference and he further explained the traffic pattern and fuel delivery

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to the Commission. The driveway design and concerns were raised pertaining to the traffic circulation at the entrance / exit of the Gas Station / Convenience Store at the gas pumps and location of the storage tanks and water/ air tanks were also discussed. Mr. Robinson offered to install Directional Signage and how the Commission would have to review it during Design Review for the Gas Station / Convenience Store, instead of the Signage being Conceptual.

Discussion ensued between the Commission, Mr. Robinson and Staff regarding how the TREH 2 traffic patterns seems chaotic, the feasibility of whether or not to have the car wash, the configurations of the four (4) Alternative Site Plans and what the Applicant is proposing / requesting, and how Major 2 and 3 Elevations are a carry over from Regency with the same architectural style. Planning Condition No. 5 and the Sign Program, along with the size and design of the Staples Logo were also discussed.

Chairman Hamerly summarized that the Applicant is requesting Conceptual Approval of the four (4) Alternative Site Plans which would include the previously approved Elevations for the Major Tenants, as well as the Elevations that are shown in the submitted Commission's Packets which would be an added item for reciting when the Motion is read and also have the Conceptual Elevations for the future Tenants. Staff responded to reference CUP 007-009 and that it would tie it in really nice to the first portion.

Discussion ensued between the Commission and Staff regarding a possible chain reaction if the Commission approves the Elevations in the Packet and there are not specific Conditions or specific Findings in the Resolution or in the COAs or if the Commission is missing something and whether or not to have Staff to bring the Item back to the Commission.

Chairman Hamerly asked if anyone else would like to speak on the item. Hearing none, he then left the Public Hearing open and the floor open for further discussion amongst the Commissioners.

The following are comments made by the Commissioners regarding TREH 2 on Page 71 of the Staff Report: 1) concerns were raised previously regarding the overall circulation of the Project and the path of travel that is shown on TREH 2 and TREH 3 cuts across the approach to the Gas Pumps past the Exit for the Car Wash and the Exit for In-N-Out Drive-thru without any landscape buffers or curbs or anything like that; 2) the general directive for ADA requirements is the most direct route and fairly secure and cross a minimum amount of traffic lanes

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with the Gas Pumps / Car Wash / In-N-Out, but simply marking that section of the pavement area does not seem to be the ideal location(s) for an ADA path; 3) this is a directive to find a more secure / direct route and the most direct route would be coming in off the Parkway straight into the Walkway that is shown on the Convenience Store or coming in off the Parkway straight into the Patio Dining Area at In-N-Out circumventing the traffic lanes and a person would have to cross the swale area on a false culvert bridge or something like that and would be a solution and there are a couple of alternatives; 4) a suggestion was made for the securing or delineating the paths with stamped concrete / pavers, but those are not ideal surfaces and can be a tripping hazard with ADA; 5) the ADA path of travel needs more work and there are more efficient solutions; 6) if keeping the path where it is delineated on each of the Site Plans, if there is excess of parking, eliminate one (1) parking bay on each of those two rows of parking south of the Service Station, that would provide room for a four foot (4') landscape buffer on either side of the accessible path of travel to provide more protection / delineation of the path of travel; 7) need an accessible path of travel as it goes through the approach with the Gas Station; 8) in order not to interfere with the Drive-thru, minimize the path of travel, these two (2) options for the Gas Station and In-N-Out would have a direct line / route from Greenspot Road, and; 9) with what the Applicant currently proposes for TREH 4 for the Shops / Restaurant would also work. Staff asked if Chairman Hamerly had the drawings and Chairman Hamerly said he would provide the drawings to Staff.

Additional comments were made by the Commissioners regarding Pages 71 and 72 of the Staff Report on TREH 2 and TREH 3 Site Plans: 1) if the three (3) docking areas that are seventy-five feet (75') in length on TREH 2 are long enough to hide the semi-trucks and wants assurance that the trucks not stick out; 2) with the landscaping on TREH 2 and TREH 3, encourages Staff to work with the Applicant to have landscape screening as much as possible so that the Car Wash is not highly visible from Greenspot Road or the Parkway; 3) with TREH 2 and TREH 3, given the height of the Car Wash / Convenience Store on the West Facade, the risk of signage could be blocked on the In-N-Out Building.

Comments were made by the Commissioners regarding TREH 4: 1) liked the TREH 4 Site Plan with the visibility all the way back to the Major 2 and presented well from the street, and; 2) preferred the lesser queuing of vehicles immediately adjacent to the Greenspot Road Parkway.

Comments were made by the Commissioners regarding TREH 5 Site Plan and Major 2: 1) the ADA path of travel is a little more secure and comes through an island that is south from the Fueling Pumps / Car Wash on the West Facade, but is still concerned about ADA path of travel, and; 2) needs landscaping buffers between In-N-Out's Drive-thru lane and the Fueling Area of the Gas Station, and between the Car Wash and the driveway.

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The following are comments made by the Commissioners regarding the Sign Package: 1) preferred the larger panels on the Monument Sign at the northwest corner / northeast corners because it looks cleaner and would be up to the needs of the Tenants; 2) regarding the Individual Signs for the Gas Station and In-N-Out liked the stone base, with modifications, to maintain the flow line and capacity within the swale, whether or not to have some opening / arch over the swale, there is a need to maintain a flow line and consider a cantilever option in there and have the Sign cantilevering the last four feet to five feet (4' – 5') over the swale and have the Sign anchored to the side of the swale with the stone base; 3) the swale is ten feet to eleven feet (10' – 11') wide and the Signs would be perpendicular to the flow line, would like to do something that looks nice that is not going to compromise the aesthetics of the Signs, and create some sort of a little bridge or cantilever the Sign and anchor them into the side of the swale in order to maintain the integrity of the flow line; 4) with regards to Page 99 of the Staff Report of the Multi-Tenant Monument Signs, liked Option "A" with the white lettering and is clearer and not Option "B" with the red lettering and would be an item for Design Review, and; 5) with regards to Page 93 of the Staff Report on the South Elevation of the Tower Element's Signage in that the Sign Exhibit on Page 102 on the South / Rear Elevation shows no Signage and is also facing south toward the interior of the Site and then asked which takes precedence for the Signage and assumed the Sign Exhibit is what the Commission should use to determine the proposed Signage. Staff indicated that Staff is willing to work with the Applicant and indicated that the cap has been calculated and that some of the Commission's comments are Items for Design Review. Staff indicated with regards to the Tower Elevation Signage, there are two (2) parts, one is the CUP and the second is Design Review and indicated that the Building Signage is not part of this CUP Application.

The following are comments made by the Commission regarding the configurations of Majors 2 and 3 Exhibits on Pages 80 through 83 of the Staff Report: 1) the level of detail is little to be desired when it is compared to the level of detail for Major 1 in that it looks plain as a person travels west and wants additional / more enhancement; 2) also wants enhancement on the corner of Major 3 and with the same level of detail and looks like they are balancing out the Façade and the enhancements should be complimentary to the features of Major 1.

Discussion ensued between the Commission and Staff regarding the Commission is wanting consistency between with the Conceptual Landscaping Plan and the landscaping that Regency did and whether or not the Commission is to approve the overall Site Plan and not the Specific Building Plans and approve the Conceptual Landscaping Plan with a more detailed Plan to be submitted at Design Review and Staff responded that it is a Conceptual Plan

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similar to when the Greenspot Road Plan came in and could use this in approval / design. If the Applicant is wanting to have a complete package to present to any potential Tenants, then this is what the Commission needs to review tonight.

The following are comments made by the Commission regarding the Landscape Plan: 1) regarding the Path of Travel with the Gas Pumps, Car Wash, etc., recommends find some way to better protect the Path; 2) recommends as much screening as possible around the trash enclosure; 3) recommends more screening and/or possible berming to create a more pleasant dining environment between the Drive-thru lane for In-N-Out and Patio Dining Area (i.e. whether that is a combination of trees, hedges, plants, etc.) in order to separate the waiting vehicles and the diners; 4) screen the Car Wash tunnel from Greenspot Road and the Parkway and the planter area that is immediately adjacent to the Car Wash Entry; and; 5) recommends more screening in the Parkway immediately north of the Canopy for the Gas Pumps because there is no plant material shown on the proposed Exhibit between the Parkway and Canopy for the Gas Station.

A question was asked by a Commissioner of the Applicant regarding at the end of the queue traveling up to the payment window, is there typically a pull out area for people who have large orders and Mr. Quintane responded when large order are taken, the customers are given their food and there is reasoning for the queuing in where the speaker box is placed for the menu ordering, as well and the Stores do their best to give the customers their order when indicated so it doesn't back anything up.

Discussion ensued between the Commission and Staff regarding the various Exhibits for the Sign Packet, Landscaping, Building Elevations and Site Plans. The trash enclosure for the Gas Station is between the Car Wash and south of Gas Station. On Page 39 of the Staff Report regarding Planning COA No. 12 on the number of parking spaces and to make modifications to create more planter areas / buffers was also discussed. Staff responded that the COA No. 12 should be clarified and indicated the number of parking spaces can be reduced if more landscaping needs to be installed. The Commission responded if the Applicant complied with the minimum parking standards of the City, would it be appropriate to eliminate the Matrix and provide a general statement. Staff responded that Staff will add language to the COA and how the numbers can be reduced dependent on the design review / revision.

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Discussion ensued between the Commission and Staff regarding Planning COA No. 16 keeping the ADA Path of Travel smooth and unobstructed as possible is recommended and the feasibility of blue striping and alternative paving that can be tinted, but uneven surfaces should be avoided. Staff cautioned the Commission regarding parking standards and how the Site is based on a parking analysis with a Major Tenant and its uses and then referred to Planning COA No. 6.

Discussion ensued between the Commission and Staff regarding Planning COA No. 6 and not modifying COA No. 12, the parking analysis is part of the CUP Entitlement and whether or not the Commission is setting a precedent and there is another process for design review for the Commission to consider and recommended the Commission to leave the COA, as written and provide the opportunity to amend the COAs in the Design Review process and return to the Commission for further consideration.

Further discussion ensued between the Commission and Staff regarding Planning COA No. 44 on Page 43 of the Staff Report regarding the Fire Code and outdoor storage and the feasibility with the Applicant having stacks of pallets and/or items taking up parking spaces behind the Buildings and Staff responded if so, then it would become a Code Enforcement issue.

Chairman Hamerly asked the Applicant if he agreed with the Modified COAs and Mr. Robinson responded affirmatively.

Discussion ensued between the Commission and Staff regarding / summarizing Planning COA Nos. 5, 12, 16, 19 and 60 and Engineering COA No. 12 is part of the Amendment.

Discussion ensued regarding to acknowledge the Amended Exhibit for the Monument Sign for In-N-Out and Modified Sign Plan in the Commission's Motion. Chairman Hamerly asked if anyone else would like to speak on the item. Seeing none, and there being no further questions of the Applicant or Staff, or discussion amongst the Commissioners, he closed the Public Hearing and then called for the question.

Chairman Hamerly indicated and noted this would be for Design Review or Concept approval for a Major Tenant Designs in the Packet which would be Conceptual Site Plan, Building Elevations and Conceptual Landscape Plan and the Commission is covered by Planning COA No. 6 which would be for the Recital under the Motion.

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A MOTION was made by Commissioner Haller and seconded by Commissioner Stoffel to adopt Resolution 010-011 Approving Conditional Use Permit 010-002, for the Highland Crossroads Commercial Project, including the following items:

1. Four (4) Alternative Site Plans (TREH-02, TREH-03, TREH-04 and TREH-05);
2. Alcoholic Beverage Control (ABC) Licenses for a Type 20 License (Off-site Sale Beer and Wine) for a Service Station / Convenience Store and a Type 47 License (On-site Sale General for Bona Fide Eating Place) for a Restaurant, and;
3. Amendments to the approved Sign Program for the Highland Crossroads Commercial Project, all subject to the Conditions of Approval, as modified with the following:

Planning COAs

2. In accordance with Highland Land Use and Development Code Section 16.12.010, Conditional Use Permit 010-002 replaces the original approval for the Site (CUP 007-009) *(except the original Site Plan, dated 07/12/2007 which the Planning Commission permitted the Applicant to carry over from CUP 007-009)* including: a) four (4) Alternative Site Plans (TREH-02, TREH-03, TREH-4 and TREH-05); b) Alcoholic Beverage Control (ABC) licenses for a Type 20 License (Off-site Sale Beer and Wine) for a Service Station / Convenience Store and a Type 47 License (On-site Sale General for Bona Fide Eating Place) for a Restaurant, and; c) Amendments to the Approved Sign Program for the Highland Crossroads Commercial Project. *The Planning Commission also approved the Building Elevations for the Major 2 and Major 3 Buildings (Front Elevations, dated 07/07/2010 and the Rear and Side Elevations, dated 07/22/2010) and permitted the Applicant to carry over the Building Elevations for the Major 2 and Shop 3 Building from the original CUP 007-009 and DRB 007-019.*

The four (4) Alternative Site Plans (Development Plans) include the following uses inclusive of on-site parking, landscaping, and ancillary structures.

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TREH-02 Site Plan

Building	Land Use	Square Footage
Major 1	Athletic / Health Club LA Fitness (existing)	45,000 sq. ft.
Major 2 Major 3	General Commercial	15,350 sq. ft. 20,400 sq. ft.
Pad 1	Service Station w/ Convenience Store / Automotive Washing	3,000 sq. ft.
Pad 2	Fast Food Restaurant w/ Drive-thru (In-N-Out)	3,714 sq. ft.
Total		87,464 sq. ft.

TREH-03 Site Plan

Building	Land Use	Square Footage
Major 1	Athletic / Health Club LA Fitness (existing)	45,000 sq. ft.
Major 2	General Commercial	37,568 sq. ft.

Pad 1	Service Station w/ Convenience Store / Automotive Washing	3,000 sq. ft.
Pad 2	Fast Food Restaurant w/ Drive- thru (In-N-Out)	3,714 sq. ft.
Total		89,282 sq. ft.

TREH-04 Site Plan

Building:	Land Use	Square Footage
Major 1	Athletic / Health Club LA Fitness (existing)	45,000 sq. ft.
Major 2	General Commercial	37,568 sq. ft.
Shops	General Commercial Multi-tenant / dining	9,000 sq. ft.
Pad 2	Fast Food Restaurant w/ Drive- thru (In-N-Out)	3,714 sq. ft.
Total		95,282 sq. ft.

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TREH-05 Site Plan

Building	Land Use	Square Footage
Major 1	Athletic / Health Club LA Fitness (existing)	45,000 sq. ft.
Major 2	General Commercial	37,568 sq. ft.
Pad 1	Service Station w/ Convenience Store / Automotive Wash (reversed)	3,000 sq. ft.
Pad 2	Fast Food Restaurant w/ Drive-thru (In-N-Out)	3,714 sq. ft.
Total		89,282 sq. ft.

5. Prior to issuance of any permits the Preliminary Grading Plan, Building Elevations, Conceptual Landscape Plan, Photometric Plan, and all Conceptual Sign Plans or Program and any other design related plans for ~~the Major 2, Major 3, or Pad 1~~ shall be reviewed by the Planning Commission.

12. Based upon the Parking Summaries with each alternative Site Plan the following number of parking spaces shall be provided *or as approved by the Planning Commission*:
 - a. TREH-02 Site Plan – 405 spaces
 - b. TREH-03 Site Plan – 405 spaces
 - c. TREH-04 Site Plan – 453 spaces
 - d. TREH-05 Site Plan – 402 spaces

16. The pedestrian path of travel across the Site where the path crosses the drive aisles shall be delineated through the use of ~~stamped alternative concrete, or decorative pavers,~~ or other treatment, as approved by the Planning Commission.

19. Trash / Recycling Enclosures are required on-site. The trash containers and trash enclosures shall be of sufficient size to accommodate the trash and recycling materials generated by the uses served. All outdoor storage of trash, garbage, refuse, and other items or materials intended for discarding or recycling collection shall be screened from public view on at least three (3) sides by a solid decorative wall not less than five feet (5') in height, or alternatively, such material or design approved by the *Planning Commission*. The fourth side shall contain a solid metal gate maintained in working order and remaining closed except when in use.

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- a. Pads 1 and 2 shall each have their own Trash / Recycling Enclosure and each Major Tenant shall have their own Trash / Recycling Enclosure.
60. (NS) Unless otherwise approved by the Planning Commission, the hours of operation for the Fast Food Restaurant w/ Drive-thru Lane (In-N-Out) shall be limited to the following:

Days	Hours
<i>7 days a week</i>	<i>24 hours</i>

Engineering COA

12. Pay Traffic Mitigation Fees corresponding to the Buildings shown on the various Alternate Site Plans as follows:
- (1) Site Plan TREH 02: Major 2 - \$8,509; Major 3 - \$11,477; Pad 1 - \$24,538; Pad 2 - \$12,664.
 - (2) Site Plan TREH 03 – Major 2 - \$21,021; Pad 1 - \$24,591; Pad 2 - \$12,693.
 - (3) Site Plan TREH 04 – Major 2 - \$18,830; Shops - \$3,198; Pad 2 - \$11,369.
 - (4) Site Plan TREH 05 – Major 2 - \$21,021; Pad 1 - \$24,591; Pad 2 - \$12,693.

At the time of payment, the amount of Fee shall be adjusted using Engineering News Record (ENR) construction cost indexes published immediately before the Planning Commission approval date of this CUP and that published immediately before actual payment of the Fee.

and;

- 4. Adopt the Findings of Fact.

Plus the Directives provided by the Commission.

Motion unanimously passed on a 7 – 0 vote.

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4.3 Design Review 010-004, for a Fast Food Drive-thru Restaurant (IN-N-OUT Burger), including the Site Plan, Preliminary Grading Plan, Building Elevations, Preliminary Landscape Concept Plan, Photometric Plan, Colors and Materials, and Sign Plans.

The Project is located on an approximate 5.1 acre Site (originally an 8.3-acre Site) consisting of three (3) adjoining parcels on the south side of Greenspot Road approximately 1,300 feet east of the 210 Freeway (APNs: 1201-341-22, -23 and -24). Representative: Ed Horovitz, Co-Manager - Highland TREH X, LLC

Chairman Hamerly introduced the item and called for Staff' presentation.

Senior Planner Meikle gave the presentation from the Staff Report and PowerPoint presentation and explained the detailed Project design and the historical background to the Commission. He explained the Project's Conditions of Approval (COAs) are similar to what Regency had.

A question was asked by a Commissioner whether or not the Color Elevations that are included in the Commission's Packet reflect Staff's comments.

Discussion ensued between the Commission and Staff regarding how In-N-Out's Corporate Colors were submitted with their Application and that the Conceptual Landscaping Plan provides lots of trees around the perimeter and Staff noted there are Date Palms located in the Patio Area and there are California Palms located on the northwest corner of the Pad that are consistent with the In-N-Out Palm Tree as their Corporate Logo.

Senior Planner Meikle continued his presentation from the Staff Report and that the Signage Panels on the Freeway Sign is the next Staff Report and indicated the Monument Sign (just provided by the Applicant) and the Commission just acted upon is different from what is in the Agenda Packet. He further explained the Menu Boards and the Building Elevations would be outlined with Red LED lighting and then concluded his presentation.

Chairman Hamerly asked if the Commission had any further questions of Staff. Hearing none, he then opened the Public Hearing and asked if the Applicant would like to make a presentation.

Mr. Tom Robinson, 4590 MacArthur Boulevard, Suite 500, Newport Beach, California, who is Mr. Horovitz's partner, addressed the Commission.

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Discussion ensued between the Commission, Mr. Robinson and Staff regarding conversations with Staff and with the In-N-Out Tenant and their Corporate Design and the Applicant's understanding that is requesting In-N-Out to Staff integrate more with the rest of the development and how the Monument Sign will tied in, as opposed to a Corporate Style monument In-N-Out sign. Mr. Robinson likes the idea of not wanting everything looking the same once everything is built out, and how it is In-N-Out's strong desire to maintain and identify their brand, especially in outlying trade areas and the Inland Empire/ As an overall Shopping Center, the Applicant would like to see some minor incorporation of blending the In-N-Out into the Site. It is great to have a Planned Development, but the Applicant likes to have that uniqueness, for example, a Chilli's with their building that is a little different than everything else. He reiterated once everything is built out, In-N-Out will blend in really well, and that is his opinion, as the Applicant and as of the Shopping Center and that was basically the conversation the Applicant had with Staff.

A question was asked by a Commissioner if there are any Color Boards available because of the color copies made with the copying machine might distort things a little bit and asked if there were color chips available and Mr. Robinson responded affirmatively.

Mr. John Quintane, 13502 Hamburger Lane, Baldwin Park, California, distributed Color Chips to the Commission for review / consideration and then addressed the Commission.

Discussion ensued between the Commission, Mr. Quintane and Staff regarding there is Signage on the South Tower as shown on the Architectural Elevations, but is not shown on the Sign Program. Mr. Quintane responded the Sign Program is correct and they are only proposing Signs on three (3) sides of the Building.

Further discussion ensued between the Commission, Mr. Quintane and Staff regarding if the Outdoor Patio structure will have a solid roof cover and that the Design Concept would stay the same with the Building Elevation having a Red Stripe, and would maintain that same design throughout all of the Structures, including the Trash Enclosure and Covered Patio and that the Trash Enclosure also has a solid roof, which is shown on the Elevation Page. One of the general Design comments a Commissioner had was about the Sign Program and how the speakers are located within the Menu Board and that the Menu Board is adjacent to the covered Dining Area and the feasibility of moving it twenty feet (20') east so the Menu Board, which is fairly tall, be moved further away from the

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covered Dining Area and would allow people to make up their minds a little bit farther back in the queuing, but would also make it a little more pleasant within the Dining Area and not having to listen to the ordering and not look at the back side of the Sign. Mr. Quintane responded that is the standard to have them both at the same location and have at a certain angle and when there are three (3) cars in the approach, and a person can still see the Menu Board and the Menu is fairly simple and hardly ever differentiates from that. The location of the Menu Board is always at the eighth car, there is a certain amount of distance between the Menu Board and the Pick-up Window so operations-wise, the food is cooking and so you to get your food in a certain amount of time so it is hot, there is reasoning behind locating the Menu Board there. They can install taller landscaping to screen / buffer that area and will go with Staff on how to approach the design of that, but Mr. Quintane did not want to specifically state landscaping and wanted to leave that open in case someone back in Management says no, they don't want landscaping and requested that it be left open a little bit so they can go back and forth on that. In-N-Out's Policy is that employees use the thirty-two (32) parking spaces that are provided on the Parcel and typically, the employees try to park within the Parcel when working on-site, at all times, but with the Reciprocal Access / Parking, and if it is not an issue with the neighbors associated with parking and they will try to work that out on-site and explained their associates would park on the far east side of their Site so as to not impede customers going in / out of the parking spaces closer to the Building.

Discussion ensued between the Commission, Mr. Quintane and Staff regarding In-N-Out having sixty (60) employees at start up with twenty (20) per shift and comprising of some college students and younger students that get dropped off and how the number of employees / parking spaces averages out. The proposed In-N-Out design is not like the existing In-N-Out located on Tippecanoe in San Bernardino in that the proposed Building is a reversed Building which was designed as an Alternative Building and reiterated is not a standard layout for an In-N-Out Building. Mr. Quintane also explained the reasons for being different with the architectural features and is trying to maintain In-N-Out's Corporate image.

A comment was made by a Commissioner how in front of Lowe's, they have a stone base facade on the existing Buildings and indicated the Commissioner does not mind the color, but wants the Applicant to add the stone base feature which has done on the rest of the Center. Mr. Quintane responded with the direction that he has from Management and the way they are, he could probably do the stone base feature if he gets an approval now, he knows that Management would not have an issue with it, but if it goes any further, it may end the deal with the Developer.

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A comment was made by a Commissioner being confused with the lack of flexibility and he had conducted an informal survey of other In-N-Outs in the area which have incorporated architectural features and colors of adjacent buildings and gave an example of the In-N-Out on Tippecanoe Avenue in San Bernardino that had changed the Color to match the other buildings on-site and reiterated his confusion about the lack of flexibility. The Commissioner was also concerned about the LED lighting which he believed the Commission has never been approved something like that in Highland. There is a need to have the same flexibility in that the Colors to do not match at all, in particular, the White Color, and there is a need to have the Colors tie in with the existing development like the San Bernardino In-N-Out, which is tied well into the rest of that development.

Mr. Quintane responded that the San Bernardino Store was built over five (5) years ago and he indicated that the direction is different since that Store was built and what his direction is now with new Stores and believes that Management would not mind adding stone to the bottom of the Store as the band around and incorporating that into the Trash Enclosure and Covered Patio, but anything other than that may end the deal. Mr. Quintane then said with regards to the LED, that he understood it's in the Sign Code and per Code, and if Highland does not allow that, he will have to take it back to Management and it would be difficult. The Commissioner reiterated he believed that DRB has never approved LED-type lights as a stand out lighting feature and believed there has been some as an accent feature, but reiterated never as a stand out lighting feature on a building itself and maintenance is a big concern. Mr. Quintane responded how the other older Stores have neon lighting and are changing them out.

Discussion ensued between the Commission, Mr. Quintane and Staff regarding what the Code says about LED lighting.

The following are comments made by the Commission: 1) the Commission is concerned about setting a precedent and about the maintenance when the LED lighting goes out; 2) how Farmer Boys had lighting sections go out and had problems with maintenance; 3) does not have a problem with LED lights, but if the Applicant is going for something like a 1950's contemporary sleek, dynamic look, thought the Applicant might want to push the envelope a little bit more and have a marquee statement and possibly introduce some stainless steel accents that go with it and would compliment the LED features; 4) with regards to the 1950's statement, the Applicant would then have to abandon the red tile roofs and do something a little more dynamic on the roof line and have the Applicant do something larger and do something that is layered up at the parapet where the Applicant would have something that is sculptural up there and have some

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Tenant features and push the early modern look that would make it a dynamic Building; 5) it looks like the Applicant is trying to merge something that is fairly conservative with something that is a little bit cutting edge and will end up with a compromised package on both sides; 6) have the Applicant not necessarily on this Structure, but it might be something the Applicant might want to at, as a new model if the Applicant wants to push something and go for that modern look that would allow that; 7) is not comfortable approving stone if the Applicant is trying to go with sleek and modern contemporary in that stone does not fit into that; 8) if the Applicant is uncomfortable with the stone, maybe below the red band the Applicant could introduce a stainless steel reveal and then change the Color on it and do something with detail right down there that is going to work. Mr. Quintane responded the band already has a stainless steel reveal both on the top and bottom. Design alternatives / compromises were also discussed and Mr. Quintane responded anything other than what the Applicant has proposed, would have to go back to Management with the possibility of ending the deal with the Developer.

Further comments made by the Commission: 1) would like to see stone around the base and would be acceptable to the Applicant and would tie into with the other Structures on-site; 2) no other Buildings have LED lighting; 3) if the Applicant is going to install LED lights, it would look better wrapping around all of the roof elements to keep it consistent, as opposed just to having the Towers, because the Commission does not want it to be sticking out like the flashing red lights on top of the cellular towers and if it becomes a LED maintenance issue, make the In-N-Out keep up its appearance; 4) add stone from the Dining Room windows and around the Building and up to the red stripe; 5) on the Photometric Plan, the foot-candles are right up against the Building and are over 20 foot candles and will reflect off the White Coloring and could be overbearing and there have been other problems with the light coloring on other facilities that had a high foot-candles around the building and the Applicant needs to tone it down with the Photometric Plan in that it's too bright; 6) if the Commission was able to do over with McDonald's lighting, how they up lit the stucco, and how it shines like a billboard on Base Line and how the Commission is trying to avoid a gleaming monolith in the landscaping; 7) consider adding wall mounted lighting on the inside driver side on the columns; 8) consider down lighting on certain sections of the Building; 9) the "Bone China" Color listed on the Chart is the same as the San Bernardino Store on Second Street. Mr. Quintane responded anything proposed has to go to Management and that Stone is acceptable. He indicated the stone would be installed from the Dining Room Windows down and around the Building and up to the red stripe and would not go higher than the

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bottom of the sill of the Dining Room Windows and would have a stone window ledger that is specified for the Center and match that design. With regards to LED lighting, and when other Cities have told the Applicant no LED, he would try to have it at least on the Towers and if not, on the parapet walls and have it tie in somewhere around the building, even if it's minimal. In-N-Out strives on building maintenance in their Stores and that LED maintenance is not an issue and that a LED fixture is encased and when it's noticed that it's not lit, it gets fixed. He added with the Photometric Plan, the Site is small and is trying to cover the entire area, as much as possible, and believed the minimum is five foot-candles and if it is overlapping, it tends to get bright in those areas and indicated that he could go back and look at it. There is no wall mounted lighting proposed and is unable to do down lighting and Mr. Quintane stated that he would revisit the Lighting Plan for architectural features. Mr. Quintane further responded that the "Bone China" Color listed on the Chart is the same as the San Bernardino Store off of Second Street.

Discussion ensued between the Commission, Mr. Quintane and Staff regarding the West Elevation (or Right Elevation) that is on Page 101 of the Staff Report which is part of the Sign Packet and the canopy that terminates underneath the Tower, are the ends of the canopy open or are they enclosed and return to the wall. The East Elevation which is also part of the Sign Packet was also discussed and how the raised facade for the Sign above the Drive-thru canopy does not relate to anything around it. Mr. Quintane responded the previous In-N-Out buildings and designs had smaller signs that would be placed above the doors, but Management wanted a larger Sign on this Elevation and added a Tower Element to the Left Elevation.

A comment was made by a Commissioner that the Tower Sign looks arbitrary for that Elevation and for the Applicant to give a decent backdrop and suggested to widen the Tower over a base two (2) columns wide and to shift the Sign over to balance it and right now it looks random and this was acceptable to Mr. Quintane. Another comment was made by a Commissioner regarding how the Floor Plans for the East Elevations looks more centered than on the Sign Program Elevations.

Further discussion ensued between the Commission, Mr. Quintane and Staff regarding the Landscape Plan and the height for the proposed planting materials being two feet to three feet (2' – 3') in height and possible berming and/or landscape nodes.

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The following are comments made by the Commission regarding the Landscape Plan: 1) advised the Applicant about having either berming and/or a vegetated swale for water quality; 2) a person would not want to stare at the headlights while in the Dining Area and have the plant materials start at two feet to three feet (2' - 3') to block headlights, and; 3) with the Site Plan, screen the back side of the Trash Enclosure with a few trees or something significant in order to screen from the street. Mr. Quintane responded that the driveway by itself has two foot to three foot (2' – 3') high hedges and it would feel like a person is going through a tunnel and wants to buffer the drive lane. He also indicated he was acceptable to screening the back side of the Trash Enclosure northerly of the ADA path.

Discussion ensued between the Commission, Mr. Quintane and Staff regarding the stone feature issue and coloring and the picking the type of stone would be no river rock, but possibly field stone and a question was asked by Staff if the Commission would want the same stone as on the Monument Sign and would match the overall Center and a Commissioner responded that he assumed so and how the Commission still wants the stone to tie into the rest of the Center.

The following are comments made by the Commission: 1) it appears it is not beneficial for the Gas Station to tie in with In-N-Out; 2) there is a need to create diversity; 3) similar to Block Busters and Wendy's, the Commissioner does not like it when each building is different, and nothing ties in, except the lighting fixtures in the parking lot of that commercial center are the same; 4) as a person drives in to In-N-Out, likes the idea of the person seeing the stone and not the white (eggshell) colored stucco; 5) is concerned with the painted stucco and LED features and now the Commission will see that proposed on every development from hereafter and reiterated concern how others will not maintain their LED lighting like In-N-Out; 6) the Commission is trying to be accommodating; 7) the In-N-Out trademark / image could change and gave an example how McDonald's trademark used to be the Golden Arches, but now it's not; 8) how the In-N-Out located on Second Street in San Bernardino is an old classic design, but now the Corporation is pushing for the new Corporate image; 9) the LED lights would be off when the business is closed and how the In-N-Out on Tippecanoe has LED lighting.

Chairman Hamerly asked if anyone else would like to speak on the item. Hearing none, he then closed the Public Hearing and opened the floor for further discussion amongst the Commissioners.

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The following are comments made by the Commission: 1) is torn between the Corporate image and trying not to have the Project look like the Block Buster Video Building; 2) is concerned with the LED trend and how In-N-Out will maintain it, but other developers won't; 3) if LED is not maintained, Code Enforcement will be called in; 4) there is no architectural theme for the Golden Triangle Policy Area – it's whatever the Commission approves; 5) there is divergence with the Color Palette and the Plant Palette and making this an individual statement, and; 6) there is a proposed covered Patio and that the proposed landscaping is better than the Tippecanoe Store location.

Then Chairman Hamerly noted this would be Design Review approval for the Major Tenant Designs in the Packet which includes the Conceptual Site Plan, Building Elevations and Conceptual Landscape Plan and the Commission is covered by Planning COA No. 6 for revisions or modifications.

There being no further questions of the Applicant or his Representative, Staff or discussion amongst the Commissioners, Chairman Hamerly then called for the question. He reminded the Commission that when approving the Sign Plan, that it is for the Modified Sign the Applicant presented this evening and not the one that was submitted in the Packet with the Application

A MOTION was made by Commissioner Willhite and seconded by Commissioner Gamboa to:

1. Approve Design Review 010-004 for a Fast Food Drive-thru Restaurant (IN-N-OUT Burger) on Pad 2, including the Site Plan, Preliminary Grading Plan, Building Elevations, Preliminary Landscape Concept Plan, Photometric Plan, Colors and Materials, and Sign Plans with the Modifications, as presented, all subject to the Conditions of Approval, and;
2. Adopt the Findings of Fact.

Motion unanimously passed on a 7 – 0 vote.

Staff recapped the Motion and that it was inclusive of the stone on the base up to the Windows and the LED lighting and the Commission concurred.

For the record, Chairman Hamerly will be submitting his notes to Staff what transpired during the discussion.

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4.4 A request to add two (2) additional Sign Panels to an existing Freeway Oriented Sign associated with the “Highland Crossings Shopping Center” – Accessory Sign Permit 010-005 and amendment to Conditional Use Permit 007-003. The Project is generally located at the southeast corner of Greenspot Road and the SR210 (APN: 1201-331-07). Representative: Edward Horovitz, (JLM TREH VIII HWY30, LLC)

Chairman Hamerly introduced the item and called for Staff presentation.

City Planner Mainez gave the presentation from the Staff Report and PowerPoint presentation and explained the detailed Project design and the historical background to the Commission. In addition, he explained how the City of Highland’s Logo is not yet on the Freeway Sign and was supposed to be added to the top and now, it’s too late to add it to the top and provided options to the Commission.

Discussion ensued between the Commission and Staff regarding the placement of the City of Highland’s Logo onto the Freeway Sign which is not illuminated. The feasibility of the City having a Digital Sign and is not part of the Application for tonight for the Commission’s consideration and how the Sign Code Subcommittee is also discussing this issue was also discussed.

Further discussion ensued between the Commission and Staff regarding the origin of the City’s Logo’s placement and the Commission agrees with Staff to have an assessment on that.

The following are comments made by the Commission regarding placement of the City’s Logo: 1) underneath “Highland Crossing”; 2) between the bottom panel and “Highland Crossing”; 3) the feasibility of reducing the size of “Highland Crossing”; 4) the side panel is not very wide and is parallel to the Freeway and how a person would have to look over his shoulder to even catch a glimpse of it, and; 5) the City’s Logo is not illuminated.

Chairman Hamerly asked if the Commission had any further questions of Staff. Hearing none, he then opened the Public Hearing and asked if the Applicant would like to make a presentation.

Mr. Tom Robinson, 4590 MacArthur Boulevard, Suite 500, Newport Beach, California, who is Mr. Horovitz’s partner, addressed the Commission. He stated with the two (2) additional panels would be to support the Tenants and indicated this is the first time for him to hear about the City Logo tonight and will be happy to do that.

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Discussion ensued between the Commission, Mr. Robinson and Staff regarding how the City Logo was in the original COAs and Mr. Robinson did not catch that, the feasibility of placing the City Logo without compromising the marketability of the Freeway Sign and spacing out Tenant space and Mr. Robinson suggested to place the City's Logo above "Highland Crossings" and that he was fine with that and not an issue.

Further discussion ensued between the Commission, Mr. Robinson and Staff regarding how the Majors are locked in on the Sign, rather than moving them up higher on the Sign where they would be more visible from the 210 Freeway and how there are recorded Agreements, except for Lindora has a Lease and is visible from the 210 Freeway. Mr. Robinson explained the design of the vertical / horizontal Sign Panels to the Commission.

The following are comments made by the Commission: 1) whether the Sign Company can match the proposed Sign Panels with the rest of the existing Freeway Sign; 2) have Planning COA No. 5 be more specific and suggested the City of Highland and the City's Logo would go on the lower support of the Base Panel and Staff said sure; 3) how the Applicant had already agreed to having the City of Highland and the City Logo placed above "Highland Crossing" and is up to the Applicant, as long as "Highland Crossing" fits, and; 4) and the City's Logo is not illuminated and Mr. Robinson confirmed that.

Chairman Hamerly asked if anyone else would like to speak on the item. Seeing none, and there being no further questions of the Applicant or Staff, or discussion amongst the Commissioners, he closed the Public Hearing and then called for the question.

A MOTION was made by Commissioner Gamboa and seconded by Vice Chairman Huynh to Adopt Resolution No. 10-012 Amending Conditional Use Permit 007-003 and approving Accessory Sign Permit 010-005 to permit the alteration of an existing Freeway Oriented Pylon Sign by adding two (2) additional Sign Panels, subject to the recommended Conditions of Approval, as modified with the following:

Planning COA

5. (2007 Design Review Board Condition of Approval) The existing Freeway Oriented Sign shall incorporate a City Logo or "City of Highland" reference on the base of the pylon sign structure. This may be achieved by replacing the sign manufacturing logo located on the westerly face of the Lowe's and Staples Sign Panel (facing

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the SR210 Right-of-Way) with a City Logo or “City of Highland” reference (see Exhibit “2”), or as approved by the Planning Commission.

and;

2. Adopt the Findings of Fact.

Motion unanimously approved on a 7 – 0 vote.

With the directive with the City of Highland / City Logo being installed on the base as discussed.

Note: the Commission recessed at 9:10p.m. and reconvened at 9:20p.m. with all Commissioners present.

(It was noted City Engineer Wong had left the Chambers at 9:10p.m.)

4.5 A Conditional Use Permit Application (CUP 008-012) for the entitlement of a Three (3) Phased Project which includes:

- a. Phase I - Service Station / Convenience Store
- b. Phase II - Conversion of an existing Apartment Complex into a 36 room Motel
- c. Phase III- New Three-story, 36 room Motel adjoining Phase II Motel for a combined total of 72 rooms

The Project is located on an approximate 2.11-acre Site consisting of four (4) adjoining properties located at the northwest corner of Highland and Victoria Avenues (26492 Highland Avenue, and 6446 & 6476 Victoria Avenue) (APNs: 0285-742-07, -08, -09 & -10). Representative: Balbir Jhavar, Applicant; Michael Murphy, Architect

Chairman Hamerly introduced the item and called for Staff presentation.

Senior Planner Meikle gave the presentation from the Staff Report and PowerPoint presentation and explained the detailed Project design, Phasing Plan and the historical background to the Commission. In addition, he reiterated and explained what the Commission is considering tonight is the CUP entitlement and

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with regards to Apartment Conversion, the Commission has not seen a Apartment Conversion at this scale before and whether or not it is appropriate for the Apartment Complex to be converted into a Motel and questions about an appropriate time line. Senior Planner Meikle indicated both the Applicant and Mr. Michael Murphy, who is the Applicant's Representative are in the audience and then concluded his presentation.

(Note: City Engineer Wong returned at 9:25p.m.)

Chairman Hamerly asked if the Commission had any questions of Staff.

Discussion ensued between the Commission and Staff regarding the feasibility the demolition or conversion of the Apartments after the Gas Station / Convenience Store is built and whether or not it would continue as a non-conforming use. The Motel / Gas Station circulation works and has to increase the Gas Station size and would take up future parking spaces / garages and having a Gas Station / Convenience Store located at a major intersection.

Chairman Hamerly asked if the Commission had any further questions of Staff. Hearing none, he then opened the Public Hearing and asked if the Applicant would like to make a presentation.

Mr. Michael Murphy, 2601 North Del Rosa, San Bernardino, California, who is the Applicant's Representative, addressed the Commission. He stated that he concurs with the Staff Report, with the exception of Engineering COA Nos. 16, 17, 19, and 20, and Planning COA Nos. 18 and 20. He then deferred to Mr. John Peterson, who is the Applicant's Legal Counsel, for additional background and how this started as an imminent domain issue by the City of Highland and would run the Gas Station out.

Mr. John Peterson, 707 Wilshire Boulevard, Suite 5270, Los Angeles, California, who is the Applicant's Legal Counsel, addressed the Commission. He explained how ARCO will diminish fuel drops due to the too small size and how the City Attorney, Mr. Jhawar and he had conversed and that the proposed Gas Station is a nice Station and would benefit the community. With regards to Engineering COA Nos. 16, 17, 19 and 20, the problem with that that gets to off-site improvements and not part of the compensation with the client to pursue in that the off-site improvements are a substantial financial burden and suggested that it could be done with striping and enforcement and other reasonable alternatives in

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order to achieve the desired results and how the City wants the Applicant to pay for barriers is also a problem for the Applicant. With regards to the Apartments and what will become of them, the Applicant is in the position not because he sought to develop the property out of anything other than the need to stay in business as a result of the taking and the need to reconfigure the Site which will become better a Station, that would encroach in the adjacent space for the Apartments which presents an issue. He requested rather than Conditioning it in a damaging fashion and if the Commission considers with a time line, which is reasonable, be flexible with the time line and understand that this is a work in progress, there is a built in provision if there are some delays, then the Applicant could apply for reasonable extensions, as circumstances dictate and would then be able to embrace the Staff Report, with the changes that Attorney Peterson proposed / suggested and requested the Commission to please move forward with it. He then thanked the Commission.

Discussion ensued between the Commission and Attorney Peterson regarding for the Attorney to elaborate on the off-site improvements and were not a part of the initially contemplated improvements and were not part of the compensation package. Attorney Peterson responded the compensation package was paid as part of the Imminent Domain issue and at this point, the action commenced back to 2008, and the settlement contemplated that the Applicant and the City would cooperate in terms of developing and promoting a Project that would be acceptable to the City. At the time when negotiations were taking place to deal with the compensation, they did not understand that there was going to be a requirement that they had to pay for off-site improvements. And Attorney Peterson was not suggesting this and was not contemplated by the Attorney in negotiations with regards to the specific Engineering COAs with Site development or Building and Safety COAs negotiations as part of the compensation package.

Further discussion ensued between the Commission, Attorney Peterson and Staff regarding the Standard COAs if street improvements Right-of-Way has increased from thirty-six feet to forty feet (36' to 40') and someone would have to install new curb / gutter / sidewalk that is aligned to what is being done on the rest of the block and that it is unanticipated as part of the scope of work for the development and Attorney Peterson they were not here making this Application because we wanted it, we are making it out of necessity as a result to the City's taking and are here to try and make the Project work and is not a usual situation and requested the Commission provide special consideration. Staff asked to verify Engineering COA Nos. 16, 17, 19 and include 20 being street light is off-site improvements.

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Chairman Hamerly asked if the Commission had any questions of the Attorney Peterson, hearing none, he then asked if Mr. Murphy would like to speak on the Item.

Discussion ensued between the Commission, Mr. Murphy and Staff regarding the proposed Pad Elevations for the Convenience Store and the existing Elevations for the Apartments is approximately seven and one-half feet to eight feet (7'6" – 8') in height difference and that the existing retaining wall is at a lower Elevation and how the Apartments' second floor would be overlooking the roof of the Convenience Store of approximately eleven feet (11'). The North Elevation would be changing elevations because of the new Building to get from the Service Station to the other side and there would be a ramp up. The "T / C" shape in that the lower section is the Manager's Units and the upper section would be the Apartments and a flat, outdoor patio area and that would be looking directly into the second floor.

Further discussion ensued between the Commission, Mr. Murphy and Staff regarding Planning COA Nos. 18 and 20 on Page 33 of the Staff Report and the feasibility of allowing flexibility on the existing Standard Driveway Approach versus to a proposal to identify the Site Entrance from the Right-of-Way. Mr. Murphy indicated to delete the words, "stamped concrete" and add "decorative pavers" because of possibility of handicapping wheelchair access and being the typical smooth cast in place concrete and having the concrete stained as an alternative accent feature. Mr. Murphy responded that staining the concrete would be perfect and acceptable to him. With regards to COA No. 20, the path of travel with the interior and would like to delete words, "stamped concrete" and add "decorative pavers".

Discussion ensued between the Commission and Mr. Murphy regarding the feasibility of Phase 3 having thirty (30) units, to remove two (2) units and the need to install an elevator in Phase 3 and will have access to the existing converted Apartments to be converted to twenty-eight (28) Apartments and the need to have an independent handicap / fire access from the Third Phase to the Second Phase. There is a balcony stairway going down and there are two (2) stairways located in the Atrium area and the concern with the Fire Exits were discussed and addressed.

Attorney Peterson pointed out the Application is the CUP Application and the subsequent Plans will be coming back to the Commission for Design consideration.

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Discussion ensued between the Commission and Mr. Murphy regarding what amenities would be provided at the Hotel to draw families, traveling business people, people going up to the San Manuel Band of Mission Indians Casino and people traveling through town and would provide a breakfast, have some meeting rooms, the proposed concept is not a destination type Hotel, but a medium / mid-stream grade Hotel similar to a Days Inn / Best Western Hotels and the Applicant has submitted an Application with those National Chain of Hotels. There would be another pool located in the Atrium area which would have landscaping, small pools, etc.

A comment was made by a Commissioner that considering the overall concept cost benefit analysis, the existing Apartment Complex needs to be completely rehabbed / reconditioned for a Hotel use and its impacts / strategy on Site development and Mr. Murphy responded that they would be unable to be demolished and start from scratch and how the Applicant has a mortgage on the property of two million dollars.

A comment was made by a Commissioner if the mortgage allows the Applicant to switch to a Hotel and Mr. Murphy responded affirmatively, with an upgrade.

Chairman Hamerly then thanked Mr. Murphy. He then asked if there was anyone else in the audience who would like to speak on the Item.

City Engineer Wong responded to Attorney Peterson's background information and explained the City had a Settlement Agreement with the Imminent Domain case and had settled out of court and had a copy of the Agreement with him. Staff is continuing to work with the Applicant and with his future proposed Project and Staff will guide / provide the Applicant the necessary assistance through the process and when he meets all of the City's the requirements, then City Staff will be willing to recommend approval of the Project which Staff is doing tonight and then read a few sentences from the Agreement and indicated there is no written or unwritten Agreement or understanding that allude to the fact that the City would not impose any reasonable COAs that would require off-site improvements. He further explained that there is no written or unwritten understanding or Agreement to the fact that the City will approve a project without any off-site improvements. The City is doing reconstruction of some existing driveway approaches which will either not be needed by the Project or it will not fit on the current Site Plan and reiterated that it would need to be reconstructed to a proper location and two (2) street lights and one (1) raised curb median on Victoria Avenue to control the left turn movements and in / out of

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the Site and that the driveway is very close to the intersection and most of the time, it is blocked by the southbound traffic. With regards to the striped median, people will not obey the striping and that the City of San Bernardino will construct the raised curb median along Highland Avenue and requires this Project on Victoria Avenues in Phases and then explained the three (3) Phases of the street frontage to the Commission.

A question was asked by a Commissioner regarding what the time frame is of the creation of a non-conforming use once the Gas Station is constructed and how long to convert the Apartments in years and Mr. Jhawar responded the maximum the Commission can give.

Discussion ensued between the Commission, Mr. Jhawar, Mr. Murphy and Staff regarding an appropriate time, considering when the economy turns around and whether or not the Gas Station receives financing and whether or not it would be able to go. Mr. Murphy responded it would be logical with a five (5) year period with the current economy and not have a "chop off" date if the financing is achievable from the completion of the Gas Station and fast tracking the Project.

Further discussion ensued between the Commission, Mr. Murphy and Staff regarding there is no time frame duration between the Phases, but there is a time limit with the CUP Application which has an initial term of three (3) years and possibly three (3) additional years, with Commission approval and the Hotel use would soon follow after the Gas Station is completed possibly making it six (6) years and would be beyond the CUP provision and would have to come up with a term / condition specifically for the Apartments.

Discussion ensued between the Commission and Staff regarding to come up with a term for the Apartments and how the Gas Station will ask for a Certificate of Occupancy and maybe trigger the time period for the Apartment Conversion or commence demolition with the three (3) year time period under the Certificate of Occupancy or for the next step in Phase 2. The Master Plan is the Gas Station to be completed in three (3) years and to start activity on Phase 1 and up to three (3) years on a one (1) year basis extension. Mr. Jhawar said he wants to start on the Gas Station immediately that is why he has his Attorney here to make sure that happens. Staff is concerned with the development of this Master Plan, the Apartment Complex could remain there indefinitely after the Gas Station is built. The way Staff presented the Conditions tonight, Staff is presenting this issue in terms for demolition and conversion and how properties are bought and sold all the time and if it is not in writing, it doesn't happen so it's for deliberation only and

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Staff is not suggesting any language tonight and if the Commission feels that there should be a term for demolition or conversion of the Apartments and then Staff should work on that Condition a little bit more with Legal Counsel and bring it back to the Commission for further consideration and reiterated how Staff wanted to start the deliberation tonight.

Further discussion ensued between the Commission and Staff regarding Staff's concern with the existing Apartments remaining there indefinitely and looking to the Commission to establish a time frame and how the Commission has the authority to approve the conversion of land uses. Staff explained the key points to the Commission in that it is a visible intersection and is an easterly entryway to the City at that location and an entryway to the entertainment to the north and how the Applicant wants to expand the Gas Station and the General Commercial Zoning would require a one (1) acre site to develop and was part of the mediation, in that Staff sat down with the Judge and explained this Code provision and how the one (1) acre site would be satisfied if the Applicant submitted a Master Plan because of phasing, circulation, reciprocal parking, etc. The Applicant's Architect came in with what Staff thought was a good idea with the mixed uses there. Staff then asked for the Commission's thoughts about the appropriateness of the design and perspectives for that corner and would need a consensus from the Commission.

The following are comments made by the Commission: 1) with understanding the Code when converting an Apartment to a Hotel and is a major rehab and structural upgrade to the Building, i.e. need anchor bolts, sheer and fire walls, etc. and that it would not meet the current Code; 2) the Apartment Complex has been there for a long time; 3) there are specifics with the CUP Application and is willing to work with Legal Counsel in order to get the time line down for conversion; 4) if the Gas Station goes in and then the Apartments would stay there for five to ten (5 – 10) years; 5) to spend from \$3 million to \$5 million dollars to construct the Gas Station will be tough; 6) the Applicant owns all four (4) parcels; 7) if the Applicant isn't able to build the Gas Station right away, is there any way to make the property look better now; 8) the feasibility of a mixed commercial use with a multi-family residential use being located on top of the commercial use; 9) there are residents next door within feet of a commercial use and is an eastern entryway to the City and with vehicular traffic going to San Manuel Band of Mission Indians Casino, even for a year the traffic, will be terrible and would not want to live there; 10) the Master Plan looks great, but the Apartments (Plan), the Commissioner is unable to look at it. Staff indicated with the Apartments is a residential use and the Hotel is a commercial use and explained it is more of a separate use and it can be done, if designed properly. Mr. Murphy added there is a separate mortgage on the Apartment House.

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Further discussion ensued between the Commission, Attorney Peterson and Staff regarding how the Mortgage Company is okay with turning the Apartments into a Motel. Attorney Peterson said that it is his understanding, as long as securing the improved property, but any requirement for the demolition would accelerate the loan and that doesn't work and the Applicant believes that a conversion without demolishing the property would be acceptable.

A question was asked by a Commissioner if the Attorney is unable to give the Commission a time frame decision about converting the Apartments to a Hotel and Attorney Peterson responded that is in the Second Phase and will come back to the Commission and the CUP with the Gas Station will clean up that corner / intersection and the Commissioner agreed. Attorney Peterson added the next Phase has a lot of incentives and the Applicant does not want to demolish and wants to move forward with the most profit making venture that he can do and that it is important not to view this as an Application tonight that is approving three separate Phases, but generally approving a three (3) Phased Project.

Discussion ensued between the Commission, Attorney Peterson and Staff regarding there is no distinction how the Staff Report was written and if the Bank recognizes the value of the entire Project and not a destruction of value to demolish the Apartments and thought that it might be more expensive in retrofitting and stripping the Apartments almost down to the foundation in order to put back together and thought a better product would be done if the Applicant started with dirt and might be even less expensive in cost per square foot and if the Lender recognizes that and provided examples. Attorney Peterson stated that ARCO wants to shut down the Gas Station, but there is a loan on the Building. The feasibility of the Applicant applying for a Lot Line Adjustment (LLA) and merge the property into one (1) large parcel and the feasibility of a Specific Plan were also discussed. There are a lot of unknowns and possibly creating two (2) parcels ultimately in order to have the Gas Station / Convenience Store and Motel.

The following are comments made by the Commission: 1) what if the Commission approves the Gas Station and there are other questions after the Gas Station is developed, the feasibility of the Applicant going to the Lender; 2) the Applicant can have one (1) conversation exploring the time frames with the Lender and then try to step back and see what would be the deposition of the Lender and if the Lender would buy off on that; 3) how the Applicant has had two (2) years and has not talked with the Lender; 4) Phase 2 could drag out for fifteen (15) years and the need to set a date / time frame; 5) unable to put a residential

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use next to a commercial use indefinitely; 6) the feasibility of the Commission approving the Site Plan, but there are concerns with the Site Layout; 7) explore the design of the Gas Station Plan and the Hotel Plan located at the intersection, but does the Commission want to interpose; 8) but are they stuck at the lending process, or does the Commission approve like this with the Phases; 9) how about the Applicant scrapping this and for him to come back with just the Gas Station portion for the Commission to consider; 10) then what would happen with the Hotel portion of the Plans; and; 11) the Gas Station is in Phase 1 and if the Applicant makes progress and within the time frame, then there is the hospitality component.

Attorney Peterson responded the Applicant is in a position with ARCO AM/PM and how his heart sank with two (2) years being here with this Project. The Commission is articulating with the proximity to the residential to the Gas Station and there has to be a way to deal with this. There are three (3) Phases and how he misspoke earlier. There is one CUP, but strike with the approval, the Commission can Condition action with Phases 1, 2 and 3. With regards to the Master Plan, the Applicant would do Phase 1 and then move on with Phase 2 and given with the existing uses, and an anchor located at the intersection is more appealing. He then presented a worse case scenario how the Applicant is unable to move forward in the short term and that no one will make fuel drops with the current access. He asked about if the Convenience Store could stand alone and that the Applicant still has the Apartments, but would like to move forward and why the Apartments look like they do because of pushing for the Gas Station and then Attorney Peterson asked for the Commission to take a moment for consideration.

Staff added if the Commission approves the Gas Station by itself, there is no time frame for the Apartment Complex and incentive for the Applicant. The option is to ask the Applicant to return with a Site Plan as a clean site and acknowledge any existing use and Condition the use with a time limit.

The following are comments made by the Commission: 1) set a time frame like one (1) year and if the Applicant has not done the conversion / demolition and then the feasibility of setting a date of three (3) years with one (1) year extensions; 2) there needs to be an incentive for the Applicant to get this Project done and the need to be able to start over; 3) with today's economy, no one knows the future; 4) having experiences with the Certificate of Occupancy and the process of holding back one lot and have the Builder complete all of the street improvements, before allowing the Permit for that last lot and thought that

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it might be a good way to do, but nowadays, the Builder walks away and not build that one lot or finish the Conditions of the CUP that it was established for; 5) the Applicant has objected to the median work and thinks his obligation is to come to the Commission rather than the Commission to find the solution; 6) have the Applicant talk to the Lender and prove to the Lender that it's okay and then the Commission can consider; 7) unable to put residential use next to a commercial use and needs a time limit and it would still not be a viable fixture next to a commercial use, and; 8) give a potential of six (6) months to one (1) year from now and still may not see any improvement. Attorney Peterson responded how the Applicant has worked with the City over the last couple of years and suggested rather than the Commission deny the Project tonight, to continue and return with this Application and allow the Applicant and Staff to work this out.

Discussion ensued between the Commission, Attorney Peterson and Staff regarding the feasibility of continuing this Item to a date certain.

A MOTION was made by Commissioner Haller and seconded by Vice Chairman Huynh to Continue this Item to September 21, 2010.

Motion carried on a 6 – 1 vote with Commissioner Gamboa dissenting.

5.0 ANNOUNCEMENTS

Staff explained the Items tentatively scheduled for a September 7, 2010, Regular Meeting.

6.0 ADJOURN

There being no further business, Chairman Hamerly declared the Meeting adjourned at 10:50p.m.

Submitted by:

Approved by:

Linda McKeough, Community
Development Administrative Assistant III

Randall Hamerly, Chairman
Planning Commission

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