

URGENCY ORDINANCE NO. 22-934U

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARTESIA AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES; AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(b)(4), 15301, 15060(c)(2) and 15061(b)(3)

THE CITY COUNCIL OF THE CITY OF ARTESIA FINDS AND DECLARES:

WHEREAS, on March 2, 1999, the voters of Artesia approved Measure V ("Ordinance E-99-1"), a general business license tax imposed on those professional and service businesses that operate in the City's Commercial General (C-G) and Commercial Planned Development (CPD) zones; and,

WHEREAS, effective January 1, 2013, the general business license tax imposed through Measure V was expanded so that professional and service businesses within Specific Plan (SP) Zones also became subject to the tax. This was imposed through the voter-approved Measure M, the "Artesia Local Services Ordinance," or Ordinance No. 12-790; and

WHEREAS, Section 2(b) of Measure V authorizes a maximum business license tax rate of \$0.10 per month for each square foot of floor area occupied by the service and professional business; and

WHEREAS, Section 2(b) of Measure V provides that the maximum tax rate of \$0.10 per month shall be adjusted annually for inflation, as set forth in the applicable Consumer Price Index; and

WHEREAS, based upon Consumer Price Index (CPI) data, the maximum permissible business license tax rate for Year 2023 under Measure V will be \$0.178 per month for each square foot of floor area occupied by service and professional businesses

which operate in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, unless exempt; and

WHEREAS, while Section 3 of Measure V does not permit the City Council to increase the amount of the tax beyond the maximum inflation-adjusted rate set forth above without voter approval, it authorizes the City Council to "make any other amendments and adjustments" to this Ordinance or the Artesia Municipal Code, "including but not limited to reducing the amount of the tax. . . ."; and,

WHEREAS, the City of Artesia (the "City") enacted a temporary tax reduction on April 11, 2011, via Ordinance No. 11-765 to encourage businesses to use the upper floors of buildings in Artesia, and thereby preserve ground floor space for commercial businesses that typically generate higher sales tax. Among other things, beginning July 1, 2011, Ordinance No. 11-765 set the tax amount on service and professional businesses located on the first floor of a building or premises at thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area. Ordinance No. 11-765 also set the tax amount on businesses located on the second floor of a building or premises to ten (\$0.10) cents per month for each square foot of floor area, and seven (\$0.07) cents per month for each square foot of floor area located on the third or higher floors. These amounts have not been adjusted for CPI since 2011; and

WHEREAS, moreover, over the years, the City has limited the amount of floor space that service and professional uses may utilize on the first floor of buildings and premises within the City in an effort to preserve those spaces for commercial uses that generate more sales tax. However, there is an increasing demand for service and professional uses in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, and there are many vacant or underutilized spaces in the aforementioned zones. Meaning, presently, there are not enough commercial uses within the City to utilize all of the vacant or underutilized space in those zones; and

WHEREAS, business license taxes go to the City's General Fund to fund essential services, including, without limitation, police, fire, public works, parks and recreation, community development, code enforcement, finance, and City administration; and

WHEREAS, the City's 2022-23 budget includes a General Fund deficit in excess of \$450,000. If the City cannot increase its revenues or otherwise balance its budget, imminently, the City will be forced to cut essential services; and

WHEREAS, the City's costs are increasing; over approximately the last 12 months, the CPI-U increased 7.8 percent in the Los Angeles-Long Beach-Anaheim area. A possible U.S. recession in the next 12 months is being forecast by some economists. These rapidly rising costs and possible economic downturn will make it even more difficult for the City to balance its budget and will increase the City's risk of having to cut essential public services; and

WHEREAS, given the urgency of the City's fiscal issues, the City Council desires to expand the ability of service and professional uses to locate within the City's Commercial General (C-G), Commercial Planned Development (CPD) and Specific Plan (SP) zones, among other things, immediately removing the conditional use permit requirement from portions of the City's Zoning Code and specified Specific Plans in order for those uses to locate within the City as soon as possible. Such immediate siting and operations of those uses will help stem the City's financial issues. Moreover, the City further wishes to explicitly impose or increase the tax rates on those uses, as allowed under Measure V; and

WHEREAS, the City also recognizes that some service and professional uses, such as gym and fitness facilities need additional regulation to ensure compatibility with surrounding uses and wishes to impose reasonable regulations and parking standards on such uses. With the removal of a conditional use permit requirement on gym and fitness facilities, there is an urgent need to impose these reasonable regulations on such facilities that are locating within the City; and

WHEREAS, the City Council desires to continue to incentivize service and professional uses to locate in the floors above a first floor by imposing a slightly lower tax rate on the use of higher floors, but also providing that the tax rate will increase by CPI for these uses wherever they are located, as allowed under Measure V. The restructuring of the tax is expected to increase General Fund revenue by approximately \$80,000, which is urgently needed to address the City's budget deficit; and

WHEREAS, there is an immediate need for the City to enact this ordinance for the preservation of the public peace, health and safety, and this ordinance relates to taxes for the usual and current expenses of the City, as provided in Government Code section 36937, because business license tax goes to the City's General Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARTESIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and incorporated herein as substantive findings of this Ordinance.

SECTION 2. CEQA. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4) as business license tax adjustments relate to a government funding mechanism that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Moreover, the zone text amendments are also not subject to CEQA pursuant to Sections 15301, 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Service and professional uses are

already allowed through the listed zones and specific plan areas, and allowing them to locate in existing facilities would have a negligible effect on the environment.

City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 3. General Plan Consistency Findings. Government Code sections 65860 and 65855 require a city's zoning ordinance to be consistent with the general plan. Based on all evidence in the record, the City Council finds as follows:

The City's General Plan is the long-range planning document, providing the vision for the future development of the City. The zoning code amendments are consistent with the General Plan in accordance with Government Code sections 65860 and 65855. The following General Plan guiding principles and implementing policies are applicable to this zone text amendment to regulate business zoning:

- A. Community Planning Principle LU 4, which provides: "The City of Artesia is a built out community, with most new development occurring at infill sites. Redevelopment is occurring throughout the City and some uses are transitioning to reflect the changing needs of residents and business owners. Maximizing the uses in current commercial centers is seen as a valuable economic development tool that will enhance shopping, dining and entertainment options that can improve quality of life in Artesia." Also, the zoning amendments support Community Goal LU 1, which provides: "A well planned community with sufficient land uses and intensities to meet the needs of anticipated growth and achieve the community's vision," and Policy Action LU 1.2.3, which provide: "Develop small-scale neighborhood nodes that provide a range of essential, neighborhood-serving retail and public amenities and services to residents." Further, these zoning amendments support Community Goal LU 3, which provides, "Revitalization of aging, underused or deteriorated commercial corridors, centers, and properties in the City;" and Community Policy LU 3.1, which provides, "Encourage a mix of retail shops and services along the commercial corridors and in centers that better meet the needs of the area's present and future customers."

Operators of service and professional uses are requesting to locate within the City, and some of the City's commercial centers have vacant or under-utilized space. Moreover, residents and customers desire a varied experience in which they can shop and obtain services in close proximity. Providing service and professional use operators the ability to more easily move into the City's commercial centers is a valuable economic development tool that will enhance shopping, dining, and entertainment options and improve quality of life in Artesia because customers will be able to conveniently access more service and professional uses. Expanding these opportunities for service and professional uses will result in less vacant and under-utilized space within the City's commercial centers and increase business tax revenues, as authorized under Measure V. This will improve Artesians' quality of life because the City will be able to maintain or improve public services with

those additional funds. Moreover, imposing reasonable regulations and parking standards on gymnasium and fitness facilities will ensure compatibility with surrounding uses while ensuring that Artesians have additional space for physical fitness and recreation.

- B. Community Policy ED 1.2, which provides, “Attract new businesses while supporting and assisting those already located in the City,” as well as Community Goal ED 2, which provides, “A stable fiscal environment provides resources for desired facilities and services,” and Policy Action ED 2.1.2, “Explore opportunities to encourage growth in sectors that provide fiscal revenue.”

The proposed zoning amendments aim to expand the footprint of service and professional uses by taking away certain restrictions that were imposed on their siting and occupancy within the City. For example, service and professional businesses would be able to more freely locate on the first floor of a building or premises. These uses would take up some of the vacant or under-utilized space within the various zones and districts that are not generating any or little revenue for the City. Because the City is able to tax such uses through Measure V and Measure M, the expansion of these uses would provide a more stable fiscal environment for the City while providing customers and residents more service opportunities.

- C. Community Goal CIR 4.1 to promote a balance of residential, commercial, institutional uses with agencies that reduce vehicle miles traveled.

By locating service and professional uses more closely to other uses such as retail and commercial, there will be less vehicle miles traveled by customers and residents who are seeking to both obtain services and to shop and dine.

SECTION 4. Specific Plan Consistency Findings. Government Code sections 65860 and 65855 require a city's zoning ordinance to be consistent with the its specific plans. The amendments to the specific plans are consistent with the respective plans as follows:

A. Pioneer Specific Plan: A goal of this specific plan is to: “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the Pioneer Specific Plan provide greater opportunity to service and professional uses by, among other things, providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City's

voter-approved business tax measure, this will strengthen the City's financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

B. South Specific Plan: A goal of this specific plan “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the South Specific Plan provide greater opportunity to service and professional uses by, among other things, by providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City's voter-approved business tax measure, this will strengthen the City's financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

C. Artesia Boulevard Corridor Specific Plan: A goal of this specific plan is to “Establish a healthy and diverse business corridor. The corridor's eclectic character and interesting mix of land uses should be emphasized and encouraged.” Another goal is to “Allow flexibility while maintaining compatibility. To adapt to changes in the market, development standards should be flexible, while ensuring compatibility and connectivity to adjacent uses.” An overarching goal is to “Encourage mixed use buildings and mixed use sites for greater economic diversity and more “eyes on the street.”

The proposed changes to the Artesia Boulevard Corridor Specific Plan continues to encourage service and professional uses within the City, particularly in vacant and under-utilized areas. The addition of the business license tax on service and professional uses will increase revenue to the City, which the City can re-invest into the City, including this Specific Plan area.

SECTION 5. Business License Tax Ordinance Amendment. The title of Section 3-1.604 and Subsection (b) of Section 3-1.604 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code are hereby amended and restated in their entirety to read as follows:

“Section 3-1.604 Business License Taxes for Professions and Semiprofessions Service Businesses.

.....

(b) Additional Tax on Service and Professional Businesses in Commercial General, Commercial Planned Development and Specific Plan Zones.

(1) In addition to paying any business license tax specified in this article, any person who operates a service and professional business within the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zones that does not devote at least fifty (50%) percent of its floor area to uses that generate sales tax and does not derive at least fifty (50%) percent of its revenues from sales that generate sales tax shall pay an additional business license tax, which tax shall be calculated as follows:

(i) As established by Measure V, from March 2, 1999 to December 31, 2009, the amount of the tax shall be equal to ten (\$0.10) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business. As authorized by Subsection (b)(1)(ii) of this section, commencing January 1, 2010, the amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business, except as otherwise provided in Subsection (b)(5) of this section. As authorized by Subsection (b)(1)(ii) of this section, commencing January 1, 2022, the maximum amount of the tax shall be equal to seventeen and eight tenths (\$0.178) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business, except as otherwise provided in Subsection (b)(6) of this section.

(ii) The amount of the tax shall be adjusted annually as of January 1st of each year, commencing January 1, 2000, by the percentage change in the Consumer Price Index. All Urban Consumers, for the Los Angeles-Anaheim-Riverside statistical area during the twelve (12) month period ending on October 31st of the immediately preceding year.

(2) Businesses lawfully existing and operating in the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zones prior to March 2, 1999 shall be exempt from the payment of the tax specified in this Subsection (b) unless the business expands, converts or relocates.

(3) The tax required by this Subsection (b) shall be paid by the business owner in conjunction with and in the same manner as other business license taxes required by this article.

(4) The City Manager is hereby directed to establish all necessary forms, documents and procedures to implement the terms of this Subsection (b).

(5) Commencing July 1, 2011, the amount of the tax shall vary depending on the location of the business within a building as follows:

(i) The amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of the first floor of the building or premises occupied by the service and professional business. This amount reflects the adjustment as of January 1, 2010, pursuant to Subsection (b)(1)(ii) of this section.

(ii) The amount of the tax shall be equal to ten (\$0.10) cents per month for each square foot of floor area of the second floor of the building or premises occupied by the service and professional business.

(iii) The amount of the tax shall be equal to seven (\$0.07) cents per month for each square foot of floor area of the third or higher floors of the building or premises occupied by the service and professional business.

(6) Commencing January 1, 2023, the tax amount under subsection (b)(5) shall no longer apply and the amount of the tax shall vary depending on the location of the business within a building as follows:

(i) The amount of the tax shall be equal to seventeen and eight tenths (\$0.178) cents per month for each square foot of floor area of the first floor of the building or premises occupied by the service and professional business. This amount reflects the adjustment as of January 1, 2022, pursuant to Subsection (b)(1)(ii) of this section. The amount of the tax shall be adjusted annually, pursuant to Subsection (b)(1)(ii) of this section.

(ii) The amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of any floor above the first floor of the building or premises occupied by the service and professional business. The amount of the tax shall be adjusted annually, pursuant to Subsection (b)(1)(ii) of this section.

(iv) Subsections (b)(5) and (b)(6)(ii) are intended to provide a temporary reduction in the maximum amount of the tax required by Subsection (b)(1), as an incentive, for as long as the City Council deems necessary, to locate service and professional businesses in the underutilized upper floors of buildings located in the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zone. This temporary tax reduction by the City Council shall not constitute a repeal of ~~one (1) or more of the original provisions of~~ Subsection (b)(1). Upon the City Council's termination of the temporary tax rate reduction set forth in Subsections (b)(5) or (b)(6)(ii), the amount of the tax ~~required by~~ shall be imposed at the maximum rate set forth in Subsection (b)(1), unless and until ~~shall be set by~~ the City Council insets another amount ~~lower rate~~ as authorized by law, ~~including, without limitation, Measure V~~. Nothing in Subsections (b)(5) and/or (b)(6) are intended to ~~constitute a decrease in a tax, or an increase in a tax,~~ requiring voter approval under Article XIIC of the California Constitution; and to the extent that any aspect of a temporary tax reduction shall be deemed null and void ab initio, and there shall be no entitlement to such tax reduction for any qualifying service and professional business.

(7) For the purposes of Subsection (b), the term “floor area” shall have the meaning prescribed in Section 9-2.407.

(c) Professions and ~~semiprofessional callings~~ service businesses shall include, but not be limited to, the following:

- (1) Accountants;
- (2) Advertising agents (except outdoor advertising);
- (3) Appraisers;
- (4) Architects;
- (5) Attorneys at law;
- (6) Auctioneers;
- (7) Certified public accountants;
- (8) Chemists;
- (9) Chiropractors;
- (10) Collection agents;
- (11) Credit counselors;
- (12) Dentists;
- (13) Designers and illustrators;
- (14) Doctors of medicine;
- (15) Draftsmen;
- (16) Drugless practitioners;
- (17) Employment agencies;
- (18) Engineers, civil, chemical, computer software, mechanical, structural and hydraulic;
- (19) Engravers;

(20) Escrow services;

(21) Gymnasiums/fitness centers;

(~~22~~4) Import/export, administrative offices (no retail/wholesale);

(~~23~~2) Insurance brokers (insurance agents are exempt);

(~~24~~3) Laboratory technicians;

(~~25~~4) Landscape architects;

(~~26~~5) Lithographers;

(~~27~~6) Masseurs and masseuses;

(~~28~~7) Ophthalmologist;

(~~29~~8) Pharmacists;

(~~30~~29) Physicians;

(~~31~~9) Real estate brokers (See Section 3-1.609 of this article for real estate salespeople/agents);

(~~32~~4) Security firms/guards;

(~~33~~2) Surveyors;

(~~34~~3) Travel agencies/bureaus; and

(~~35~~4) Veterinarians.”

SECTION 6. Zoning Code Amendment. The following sections or subsections of Title 9, Chapter 2, Article 3 of the Artesia Municipal Code are amended, added, or deleted as follows:

A. Subsection (b) (Commercial Uses) of Section 9-2.1103 (Parking Spaces Required) is hereby amended to provide a parking standard for Gymnasiums/Fitness Centers as follows:

“9-2.1103 Parking Spaces Required.

The following parking spaces shall be required:

.....

(b) Commercial Uses.

.....
(16) Gymnasiums/Fitness Centers. For gymnasiums/fitness centers there shall be one (1) parking space for every two hundred (200) square feet of gross floor area.

B. Subsection (g) (Gymnasiums) of Section 9-2.3002 (Principal Uses Permitted C-S-P) is hereby amended to add certain regulations upon gymnasiums and fitness centers as follows:

“9-2.3002 Principal Uses Permitted (C-S-P).

Premises in the Service and Professional (C-S-P) Zone may be used for the following principal uses:

.....

(g) Gymnasiums/fitness centers provided that such uses:

a. Shall implement/install sound attenuation insulation between each tenant space(s) to mitigate noise from being emitted into the adjacent tenants;

b. Shall be restricted from locating above the first floor, except facilities that occupy the entire building for such use; and

c. All activities shall be limited within the interior of the building, and any proposed exterior usage shall be subject to a Conditional Use Permit and shall not impede or reduce any required on-site parking;”

C. Subsection (cc) is hereby added to Section 9-2.3202 (Principal Uses Permitted C-G) regarding service and professional uses and shall read as follows:

“9-2.3202 Principal Uses Permitted (C-G).

Premises in the Commercial General (C-G) Zone may be used for the following retail sales establishments, provided at least fifty (50%) percent of the revenues of the business are derived from retail sales:

.....
(cc) Notwithstanding the foregoing, any use permitted as a principal use in the Service and Professional (C-S-P) Zone, may be located in the Commercial General (C-G) Zone provided that the business conducting the use shall be subject to paying the business license tax as set forth in Subsection (b) of Section 3-1.604, as may be amended.”

D. Subsection (p) of Section 9-2.3203 (Uses Permitted Subject to Conditional Use Permits C-G) is hereby deleted, as follows:

“9-2.3203 Uses Permitted Subject to Conditional Use Permits (C-G).

.....

(p) ~~Reserved. Any use permitted as a principal use in the Service and Professional (C-S-P) Zone, provided that, in addition to the standard criteria for the approval of a conditional use permit, the business conducting the use, and the premises on which it occurs, satisfy the following criteria:~~

~~—— (1) The business conducting the use shall either: (i) devote at least fifty (50%) percent of its floor area to uses that are directly related to the service and professional business and that generate sales tax, and derive at least fifty (50%) percent of its revenues from sales that generate sales tax; or (ii) pay an additional business license tax set forth in Subsection (b) of Section 3-1.605 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code; and~~

~~—— (2) The use will be located on a parcel of property that contains at least three (3) or more separate business suites or units; and~~

~~—— (3) The existing service and professional uses on the parcel or property, together with the proposed use, will not occupy more than five (5%) percent of the total square feet of the first floor of the structures on the parcel or property; and~~

~~—— (4) The existing service and professional uses on the parcel or property, together with the proposed use, will not occupy more than seventy-five (75%) percent of the total square feet of the second floor of the structures on the parcel or the property; and~~

~~—— (5) The existing service and professional uses on the parcel or property, together with the proposed use, will not occupy more than one hundred (100%) percent of the total square feet of the floors located above the second floor of the structures on the parcel or the property.”~~

E. Subsection (b) of Section 9-2.3302 (Principal Uses Permitted CPD) is hereby amended in its entirety and restated to remove certain regulations on service and professional uses and shall read as follows:

“9-2.3302 Principal Uses Permitted (CPD).

Premises in the Commercial Planned Development (CPD) Zone may be used for the following principal uses provided a conditional use permit is first obtained as provided in Article 17 by the person or organization proposing to operate the business:

.....

(b) ~~Notwithstanding the foregoing, A~~any use permitted as a principal use in the Service and Professional (C-S-P) Zone ~~shall not require a conditional use permit but , provided that, in addition to the standard criteria for the approval of a conditional use~~

~~permit, the business conducting the use shall be subject to paying the , and the premises on which it occurs, satisfy the following criteria:~~

~~— (1) — The business conducting the use shall either: (i) devote at least fifty (50%) percent of its floor area to uses that are directly related to the service and professional business and that generate sales tax and derive at least fifty (50%) percent of its revenues from sales that generate sales tax; or (ii) shall pay an additional business license tax as set forth in Subsection (b) of Section 3-1.604, as may be amended. 5 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code;~~

~~— (2) — The use will be located on a parcel of property that contains at least three (3) or more separate business suites or units; and~~

~~— (3) — The existing service and professional uses on the parcel of property, together with the proposed use, will not occupy more than five (5%) percent of the first floor of the structures on the parcel of property, except that up to ten (10%) percent of the first floor of the structures on the parcel of property may be devoted to service and professional uses if the portion above five (5%) percent of the first floor of the structures will be occupied by businesses that pay the additional business license tax set forth in Subsection (b) of Section 3-1.605 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code.”~~

F. Section 9-2.3453 shall be amended and restated in its entirety to read as follows:

“9-2.3453 Specific Plan Zones and Zoning Map Designations.

The following specific plans have been approved and are established as Specific Plan Zones to be designated on the Artesia Zoning Map as set forth herein.

(a) Artesia LIVE Specific Plan. The Artesia LIVE Specific Plan, a copy of which is on file in the office of the City Clerk, has been prepared to facilitate the construction of a seven (7) story mixed use development, located on approximately 0.82 acres of property along Pioneer Boulevard, between 176th Street and 178th Street. The area covered by the Artesia LIVE Specific Plan shall be established as the Artesia LIVE Specific Plan (SP 16-01) Zone, and shall be designated on the Zoning Map by the designation “SP 16-01.”

(b) ~~Reserved.~~ South Street Specific Plan. The South Street Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the orderly and efficient development in accordance with the adopted Artesia General Plan (the “General Plan). The intent of the Specific Plan is to maximize the use of the site in a manner that generates tax revenues to the City of Artesia (the “City”) and revitalized the site through positive incentives and customized policies based on comprehensive land use planning concepts. The Specific Plan site encompasses 6.1 acres in the City of Artesia and is located along South Street with a portion of the site fronting Pioneer Boulevard on the east. It is located approximately one mile south of the Artesia (SR-91) Freeway and one-half mile east of the San Gabriel River (I-605) Freeway.

(c) Artesia Boulevard Industrial Area Specific Plan. The Artesia Boulevard Industrial Area Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the reconstruction and modernization of a concrete batch plant and related uses, located on approximately 1.77 acres of property (exclusive of public right-of-way) generally bounded on the west by Alburtis Avenue, on the south by Artesia Boulevard, and on the east by Corby Avenue. The area covered by the Artesia Boulevard Industrial Area Specific Plan shall be established as the Artesia Boulevard Industrial Area Specific Plan (SP-3) Zone, and shall be designated on the Zoning Map by the designation “SP-3.”

(d) Artesia Boulevard Corridor Specific Plan. The Artesia Boulevard Corridor Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the reconstruction and revitalization of a twenty-one (21) acre area along Artesia Boulevard, between Gridley Road and Pioneer Boulevard. The area covered by the Artesia Boulevard Corridor Specific Plan shall be established as the Artesia Boulevard Corridor Specific Plan (ABCSP) Zone, and shall be designated on the Zoning Map by the designation “ABCSP.” Properties within the ABCSP Zone shall be subject to specific plan recovery fees, as set forth by City Council resolution and authorized by Chapter 7 (Specific Plan Recovery Fees) of Title 3 (Finance) of the Artesia Municipal Code.

(e) Pioneer Specific Plan. The Pioneer Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the orderly and efficient development in accordance with the adopted Artesia General Plan (the “General Plan”). The intent of the Specific Plan is to maximize the use of the site in a manner that generates tax revenues to the City of Artesia (the “City”) and revitalized the site through positive incentives and customized policies based on comprehensive land use planning concepts. The Specific Plan site encompasses 8.6 acres in the City of Artesia and is located on Pioneer Boulevard between 176th Street and 183rd Street. It is located approximately one-half mile south of the Artesia (SR-91) Freeway and one mile east of the San Gabriel River (I-605) Freeway.”

SECTION 7. South Specific Plan Amendments. Portions of the South Specific Plan shall be amended as follows:

A. Subsection C (Permitted Uses) of Section 3.2 (Land Use Concept) of Chapter 3.0 (Component Plans) of the South Specific Plan shall be amended in its entirety to read as follows:

“The type of uses permitted within the Specific Plan site are identified in Table 2. When a particular use is not listed, the Planning Director shall be responsible for making a determination as to whether the use is similar to a listed use. Unless the proposed use is determined to be similar to a listed, it shall be a prohibited use.

~~The total amount of floor area within the Specific Plan site that may be devoted to service and professional uses shall not exceed forty five and two-tenths percent (45.2%) of the total floor area of all buildings within the Specific Plan site and not exceed twenty four and~~

~~five tenths percent (24.5%) of the ground floor area of the buildings within the Specific Plan site. No tenant space shall be less than 1,000 square feet in floor area.”~~

B. Table 2 (Permitted Uses By the South Specific Plan) of Chapter 3.0 (Component Plans) of the South Specific Plan shall be amended in its entirety to read as follows:

“Table 2

PERMITTED USES BY THE SOUTH SPECIFIC PLAN

Specific Plan Land Use	Permitted Use ⁴
Commercial	<p><u>Retail</u></p> <ul style="list-style-type: none"> • Restaurants with enclosed eating areas • Department stores • Office and school supply stores • Hardware stores • Limited price variety stores • Photo equipment and supply stores • Sales of alcoholic beverages for consumption off-premises • Appliance stores • Shoe stores • Music and record stores • Jewelry stores • Stationary and book stores • Florist shops • Gift, art and novelty stores • Supermarket food store • Drug Store <p><u>Service and Professional Uses¹</u></p> <ul style="list-style-type: none"> • Beauty salons • Barber shops • Banks and other financial institutions • Other similar uses the Planning Director finds substantially similar to the above <u>or any of the principally permitted uses within Section 9-2.3002</u> • The total amount of floor area within the Specific Plan site that may be devoted to service and professional

	uses shall not exceed forty five and two tenths percent (45.2%) of the total floor area of all buildings within the Specific Plan site, and not exceed twenty four and five tenths percent (24.5%) of the ground floor area of the buildings within the Specific Plan site.
--	--

~~1Approval of these permitted uses shall require discretionary approval and the required Conditional Use Permit specified in the Artesia Municipal Code.~~

1 Approval of these permitted uses shall be subject to paying the business license tax provided in Subsection (b) of Section 3-1.604, as may be amended.

SECTION 8. Pioneer Specific Plan Amendments. Portions of the Pioneer Specific Plan shall be amended as follows:

A. Table 2 (Permitted Uses by Specific Plan Land Use) of Chapter 3.0 (Component Plans) of the Pioneer Specific Plan shall be amended by adding the following uses as permitted uses, subject to a business license tax:

**“Table 2
PERMITTED USES BY SPECIFIC PLAN LAND USE**

Specific Plan Land Use	Permitted Uses
. . . .	
<u>Commercial Service and Professional Uses</u>	<u>Banks and other Commercial Service and Professional uses, subject to paying the business license tax provided in Subsection (b) of Section 3-1.604, as may be amended”</u>

B. Table 2A of Section 3.2 (Land Use Concept) of Chapter 3.0 (Component Plans) of the Pioneer Specific Plan shall be deleted in its entirety as follows:

~~**“Table 2A
CONDITIONALLY PERMITTED USES BY SPECIFIC PLAN LAND USE**~~

Specific Plan Land Use	Conditionally Permitted Uses
Commercial Service and Professional Uses	Banks, subject to issuance of a Conditional Use Permit in accordance with Article 17 (Section 9-2.1701 et seq.) and Section 9-2.3203(n)(1)-(3) of the Artesia Municipal Code

	<p>Other Commercial Service and Professional uses, subject to issuance of a Conditional Use Permit in accordance with Article 17 (Section 9-2.1701 et seq.) an Section 9-2.3203(n)(1)-(3) of the Artesia Municipal Code</p> <p>The total amount of floor area within the commercial portion of the Specific Plan area that may be devoted to service and professional uses, including but not limited to, banks, shall not exceed sixteen percent (16%) of the total floor area of all buildings within the commercial portion of the Specific Plan area”</p>
--	---

B. Subsection F of Section 3.2 (Land Use Concept) of Chapter 3 (Component Plans) of the Pioneer Specific Plan is hereby deleted in its entirety as follows:

~~F. Conditionally Permitted Uses~~

~~Banks and other Commercial Service and Professional uses are conditionally permitted uses within the commercial portions of the Specific Plan site as set forth in Table 2A, subject to issuance of a Conditional Use Permit in accordance with Article 17 (Section 9-2.1701 et seq.) and Section 9-2.3203(n)(1)-(3) of the Artesia Municipal Code. The total amount of floor area within the commercial portion of the Specific Plan area that may be devoted to service and professional uses, including but not limited to banks, shall not exceed sixteen percent (16%) of the total floor area of all buildings within the commercial portion of the Specific Plan area.~~

SECTION 9. Artesia Boulevard Corridor Specific Plan Amendments. Portions of the Artesia Boulevard Corridor Specific Plan shall be amended as follows:

A. Table 2-2 (Permitted Uses by Quadrant) of the Artesia Boulevard Corridor Specific Plan is amended to provide that “Financial and Professional Office Uses” and “Service Commercial Uses” shall be subject to the regulations and additional business license taxes, as provided in the new footnote, below:

“Table 2-2 Permitted Uses by Quadrant

	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4
.....				

FINANCIAL AND PROFESSIONAL OFFICE USES¹				
.....				
SERVICE COMMERCIAL USES₁				
.....				

Note 1. In all quadrants, Financial and Professional Office Uses, as well as Service and Commercial Uses shall be subject to paying the business license tax, as provided in Subsection (b) of Section 3-1.604(b), as may be amended.”

SECTION 10. Effective Date. This Ordinance shall become effective immediately after the Council adopts this Ordinance pursuant to Government Code section 36937 as an urgency ordinance and because it relates to taxes for the usual and current expenses of the City.

SECTION 11. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance, and, to that end, the provisions hereof are severable. The City Council of the City of Artesia declares that it would have adopted all the provisions of this Ordinance that remain valid if any provisions of this ordinance are declared invalid.

SECTION 12. Adoption, Certification, and Publication. The City Clerk of the City of Artesia shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law.

SECTION 13. Record of Proceedings. The documents and materials associated with this ordinance that constitute the record of proceedings on which these findings are based are located at 18747 Clarkdale Avenue, Artesia, California, 90701. The Acting City Clerk is the custodian of the record of proceedings.

PASSED, APPROVED AND ADOPTED by the City Council of the Artesia, California, at a regular meeting of the City Council held on the _____th day of _____, 2022 by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

MELISSA RAMOSO, MAYOR

ATTEST:

JENNIFER ALDERETE, ACTING CITY CLERK

APPROVED AS TO FORM:

BEST BEST & KRIEGER, CITY ATTORNEY

ORDINANCE NO. 22-932

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARTESIA AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES; AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(b)(4), 15301, 15060(c)(2) and 15061(b)(3)

THE CITY COUNCIL OF THE CITY OF ARTESIA FINDS AND DECLARES:

WHEREAS, on March 2, 1999, the voters of Artesia approved Measure V ("Ordinance E-99-1"), a general business license tax imposed on those professional and service businesses that operate in the City's Commercial General (C-G) and Commercial Planned Development (CPD) zones; and,

WHEREAS, effective January 1, 2013, the general business license tax imposed through Measure V was expanded so that professional and service businesses within Specific Plan (SP) Zones also became subject to the tax. This was imposed through the voter-approved Measure M, the "Artesia Local Services Ordinance," or Ordinance No. 12-790; and

WHEREAS, Section 2(b) of Measure V authorizes a maximum business license tax rate of \$0.10 per month for each square foot of floor area occupied by the service and professional business; and

WHEREAS, Section 2(b) of Measure V provides that the maximum tax rate of \$0.10 per month shall be adjusted annually for inflation, as set forth in the applicable Consumer Price Index; and

WHEREAS, based upon Consumer Price Index (CPI) data, the maximum permissible business license tax rate for Year 2023 under Measure V will be \$0.178 per month for each square foot of floor area occupied by service and professional businesses

which operate in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, unless exempt; and

WHEREAS, while Section 3 of Measure V does not permit the City Council to increase the amount of the tax beyond the maximum inflation-adjusted rate set forth above without voter approval, it authorizes the City Council to "make any other amendments and adjustments" to this Ordinance or the Artesia Municipal Code, "including but not limited to reducing the amount of the tax. . . ."; and,

WHEREAS, the City of Artesia (the "City") enacted a temporary tax reduction on April 11, 2011, via Ordinance No. 11-765 to encourage businesses to use the upper floors of buildings in Artesia, and thereby preserve ground floor space for commercial businesses that typically generate higher sales tax. Among other things, beginning July 1, 2011, Ordinance No. 11-765 set the tax amount on service and professional businesses located on the first floor of a building or premises at thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area. Ordinance No. 11-765 also set the tax amount on businesses located on the second floor of a building or premises to ten (\$0.10) cents per month for each square foot of floor area, and seven (\$0.07) cents per month for each square foot of floor area located on the third or higher floors. These amounts have not been adjusted for CPI since 2011; and

WHEREAS, moreover, over the years, the City has limited the amount of floor space that service and professional uses may utilize on the first floor of buildings and premises within the City in an effort to preserve those spaces for commercial uses that generate more sales tax. However, there is an increasing demand for service and professional uses in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, and there are many vacant or underutilized spaces in the aforementioned zones. Meaning, presently, there are not enough commercial uses within the City to utilize all of the vacant or underutilized space in those zones; and

WHEREAS, business license taxes go to the City's General Fund to fund essential services, including, without limitation, police, fire, public works, parks and recreation, community development, code enforcement, finance, and City administration; and

WHEREAS, the City's 2022-23 budget includes a General Fund deficit in excess of \$450,000. If the City cannot increase its revenues or otherwise balance its budget, imminently, the City will be forced to cut essential services; and

WHEREAS, the City's costs are increasing; over approximately the last 12 months, the CPI-U increased 7.8 percent in the Los Angeles-Long Beach-Anaheim area. A possible U.S. recession in the next 12 months is being forecast by some economists. These rapidly rising costs and possible economic downturn will make it even more difficult for the City to balance its budget and will increase the City's risk of having to cut essential public services; and

WHEREAS, given the urgency of the City's fiscal issues, the City Council desires to expand the ability of service and professional uses to locate within the City's Commercial General (C-G), Commercial Planned Development (CPD) and Specific Plan (SP) zones, among other things, immediately removing the conditional use permit requirement from portions of the City's Zoning Code and specified Specific Plans in order for those uses to locate within the City as soon as possible. Such immediate siting and operations of those uses will help stem the City's financial issues. Moreover, the City further wishes to explicitly impose or increase the tax rates on those uses, as allowed under Measure V; and

WHEREAS, the City also recognizes that some service and professional uses, such as gym and fitness facilities need additional regulation to ensure compatibility with surrounding uses and wishes to impose reasonable regulations and parking standards on such uses. With the removal of a conditional use permit requirement on gym and fitness facilities, there is an urgent need to impose these reasonable regulations on such facilities that are locating within the City; and

WHEREAS, the City Council desires to continue to incentivize service and professional uses to locate in the floors above a first floor by imposing a slightly lower tax rate on the use of higher floors, but also providing that the tax rate will increase by CPI for these uses wherever they are located, as allowed under Measure V. The restructuring of the tax is expected to increase General Fund revenue by approximately \$80,000, which is urgently needed to address the City's budget deficit; and

WHEREAS, there is a need for the City to enact this ordinance for the preservation of the public peace, health and safety, and this ordinance relates to taxes for the usual and current expenses of the City, as provided in Government Code section 36937, because business license tax goes to the City's General Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARTESIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and incorporated herein as substantive findings of this Ordinance.

SECTION 2. CEQA. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4) as business license tax adjustments relate to a government funding mechanism that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Moreover, the zone text amendments are also not subject to CEQA pursuant to Sections 15301, 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Service and professional uses are

already allowed through the listed zones and specific plan areas, and allowing them to locate in existing facilities would have a negligible effect on the environment.

City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 3. General Plan Consistency Findings. Government Code sections 65860 and 65855 require a city's zoning ordinance to be consistent with the general plan. Based on all evidence in the record, the City Council finds as follows:

The City's General Plan is the long-range planning document, providing the vision for the future development of the City. The zoning code amendments are consistent with the General Plan in accordance with Government Code sections 65860 and 65855. The following General Plan guiding principles and implementing policies are applicable to this zone text amendment to regulate business zoning:

- A. Community Planning Principle LU 4, which provides: "The City of Artesia is a built out community, with most new development occurring at infill sites. Redevelopment is occurring throughout the City and some uses are transitioning to reflect the changing needs of residents and business owners. Maximizing the uses in current commercial centers is seen as a valuable economic development tool that will enhance shopping, dining and entertainment options that can improve quality of life in Artesia." Also, the zoning amendments support Community Goal LU 1, which provides: "A well planned community with sufficient land uses and intensities to meet the needs of anticipated growth and achieve the community's vision," and Policy Action LU 1.2.3, which provide: "Develop small-scale neighborhood nodes that provide a range of essential, neighborhood-serving retail and public amenities and services to residents." Further, these zoning amendments support Community Goal LU 3, which provides, "Revitalization of aging, underused or deteriorated commercial corridors, centers, and properties in the City;" and Community Policy LU 3.1, which provides, "Encourage a mix of retail shops and services along the commercial corridors and in centers that better meet the needs of the area's present and future customers."

Operators of service and professional uses are requesting to locate within the City, and some of the City's commercial centers have vacant or under-utilized space. Moreover, residents and customers desire a varied experience in which they can shop and obtain services in close proximity. Providing service and professional use operators the ability to more easily move into the City's commercial centers is a valuable economic development tool that will enhance shopping, dining, and entertainment options and improve quality of life in Artesia because customers will be able to conveniently access more service and professional uses. Expanding these opportunities for service and professional uses will result in less vacant and under-utilized space within the City's commercial centers and increase business tax revenues, as authorized under Measure V. This will improve Artesians' quality of life because the City will be able to maintain or improve public services with

those additional funds. Moreover, imposing reasonable regulations and parking standards on gymnasium and fitness facilities will ensure compatibility with surrounding uses while ensuring that Artesians have additional space for physical fitness and recreation.

- B. Community Policy ED 1.2, which provides, “Attract new businesses while supporting and assisting those already located in the City,” as well as Community Goal ED 2, which provides, “A stable fiscal environment provides resources for desired facilities and services,” and Policy Action ED 2.1.2, “Explore opportunities to encourage growth in sectors that provide fiscal revenue.”

The proposed zoning amendments aim to expand the footprint of service and professional uses by taking away certain restrictions that were imposed on their siting and occupancy within the City. For example, service and professional businesses would be able to more freely locate on the first floor of a building or premises. These uses would take up some of the vacant or under-utilized space within the various zones and districts that are not generating any or little revenue for the City. Because the City is able to tax such uses through Measure V and Measure M, the expansion of these uses would provide a more stable fiscal environment for the City while providing customers and residents more service opportunities.

- C. Community Goal CIR 4.1 to promote a balance of residential, commercial, institutional uses with agencies that reduce vehicle miles traveled.

By locating service and professional uses more closely to other uses such as retail and commercial, there will be less vehicle miles traveled by customers and residents who are seeking to both obtain services and to shop and dine.

SECTION 4. Specific Plan Consistency Findings. Government Code sections 65860 and 65855 require a city's zoning ordinance to be consistent with the its specific plans. The amendments to the specific plans are consistent with the respective plans as follows:

A. Pioneer Specific Plan: A goal of this specific plan is to: “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the Pioneer Specific Plan provide greater opportunity to service and professional uses by, among other things, providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City's

voter-approved business tax measure, this will strengthen the City's financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

B. South Specific Plan: A goal of this specific plan “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the South Specific Plan provide greater opportunity to service and professional uses by, among other things, by providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City's voter-approved business tax measure, this will strengthen the City's financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

C. Artesia Boulevard Corridor Specific Plan: A goal of this specific plan is to “Establish a healthy and diverse business corridor. The corridor's eclectic character and interesting mix of land uses should be emphasized and encouraged.” Another goal is to “Allow flexibility while maintaining compatibility. To adapt to changes in the market, development standards should be flexible, while ensuring compatibility and connectivity to adjacent uses.” An overarching goal is to “Encourage mixed use buildings and mixed use sites for greater economic diversity and more “eyes on the street.”

The proposed changes to the Artesia Boulevard Corridor Specific Plan continues to encourage service and professional uses within the City, particularly in vacant and under-utilized areas. The addition of the business license tax on service and professional uses will increase revenue to the City, which the City can re-invest into the City, including this Specific Plan area.

SECTION 5. Business License Tax Ordinance Amendment. The title of Section 3-1.604 and Subsection (b) of Section 3-1.604 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code are hereby amended and restated in their entirety to read as follows:

“Section 3-1.604 Business License Taxes for Professions and Semiprofessions Service Businesses.

.....

(b) Additional Tax on Service and Professional Businesses in Commercial General, Commercial Planned Development and Specific Plan Zones.

(1) In addition to paying any business license tax specified in this article, any person who operates a service and professional business within the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zones that does not devote at least fifty (50%) percent of its floor area to uses that generate sales tax and does not derive at least fifty (50%) percent of its revenues from sales that generate sales tax shall pay an additional business license tax, which tax shall be calculated as follows:

(i) As established by Measure V, from March 2, 1999 to December 31, 2009, the amount of the tax shall be equal to ten (\$0.10) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business. As authorized by Subsection (b)(1)(ii) of this section, commencing January 1, 2010, the amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business, except as otherwise provided in Subsection (b)(5) of this section. As authorized by Subsection (b)(1)(ii) of this section, commencing January 1, 2022, the maximum amount of the tax shall be equal to seventeen and eight tenths (\$0.178) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business, except as otherwise provided in Subsection (b)(6) of this section.

(ii) The amount of the tax shall be adjusted annually as of January 1st of each year, commencing January 1, 2000, by the percentage change in the Consumer Price Index. All Urban Consumers, for the Los Angeles-Anaheim-Riverside statistical area during the twelve (12) month period ending on October 31st of the immediately preceding year.

(2) Businesses lawfully existing and operating in the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zones prior to March 2, 1999 shall be exempt from the payment of the tax specified in this Subsection (b) unless the business expands, converts or relocates.

(3) The tax required by this Subsection (b) shall be paid by the business owner in conjunction with and in the same manner as other business license taxes required by this article.

(4) The City Manager is hereby directed to establish all necessary forms, documents and procedures to implement the terms of this Subsection (b).

(5) Commencing July 1, 2011, the amount of the tax shall vary depending on the location of the business within a building as follows:

(i) The amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of the first floor of the building

or premises occupied by the service and professional business. This amount reflects the adjustment as of January 1, 2010, pursuant to Subsection (b)(1)(ii) of this section.

(ii) The amount of the tax shall be equal to ten (\$0.10) cents per month for each square foot of floor area of the second floor of the building or premises occupied by the service and professional business.

(iii) The amount of the tax shall be equal to seven (\$0.07) cents per month for each square foot of floor area of the third or higher floors of the building or premises occupied by the service and professional business.

(6) Commencing January 1, 2023, the tax amount under subsection (b)(5) shall no longer apply and the amount of the tax shall vary depending on the location of the business within a building as follows:

(i) The amount of the tax shall be equal to seventeen and eight tenths (\$0.178) cents per month for each square foot of floor area of the first floor of the building or premises occupied by the service and professional business. This amount reflects the adjustment as of January 1, 2022, pursuant to Subsection (b)(1)(ii) of this section. The amount of the tax shall be adjusted annually, pursuant to Subsection (b)(1)(ii) of this section.

(ii) The amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of any floor above the first floor of the building or premises occupied by the service and professional business. The amount of the tax shall be adjusted annually, pursuant to Subsection (b)(1)(ii) of this section.

(iv) Subsections (b)(5) and (b)(6)(ii) are intended to provide a temporary reduction in the maximum amount of the tax required by Subsection (b)(1), as an incentive, for as long as the City Council deems necessary, to locate service and professional businesses in the underutilized upper floors of buildings located in the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zone. This temporary tax reduction by the City Council shall not constitute a repeal of ~~one (1) or more of the original provisions of~~ Subsection (b)(1). Upon the City Council's termination of the temporary tax rate reduction set forth in Subsections (b)(5) or (b)(6)(ii), the amount of the tax ~~required by~~ shall be imposed at the maximum rate set forth in Subsection (b)(1), unless and until shall be set by the City Council ~~insets~~ another amount lower rate as authorized by law, ~~including, without limitation, Measure V.~~ Nothing in Subsections (b)(5) and/or (b)(6) are intended to ~~constitute a decrease in a tax, or an increase in a tax,~~ requiring voter approval under Article XIIC of the California Constitution; and to the extent that any aspect of a temporary tax reduction shall be deemed null and void ab initio, and there shall be no entitlement to such tax reduction for any qualifying service and professional business.

(7) For the purposes of Subsection (b), the term “floor area” shall have the meaning prescribed in Section 9-2.407.

(c) Professions and ~~semiprofessional callings~~ service businesses shall include, but not be limited to, the following:

- (1) Accountants;
- (2) Advertising agents (except outdoor advertising);
- (3) Appraisers;
- (4) Architects;
- (5) Attorneys at law;
- (6) Auctioneers;
- (7) Certified public accountants;
- (8) Chemists;
- (9) Chiropractors;
- (10) Collection agents;
- (11) Credit counselors;
- (12) Dentists;
- (13) Designers and illustrators;
- (14) Doctors of medicine;
- (15) Draftsmen;
- (16) Drugless practitioners;
- (17) Employment agencies;
- (18) Engineers, civil, chemical, computer software, mechanical, structural and hydraulic;
- (19) Engravers;
- (20) Escrow services;

(16) Gymnasiums/Fitness Centers. For gymnasiums/fitness centers there shall be one (1) parking space for every two hundred (200) square feet of gross floor area.

B. Subsection (g) (Gymnasiums) of Section 9-2.3002 (Principal Uses Permitted C-S-P) is hereby amended to add certain regulations upon gymnasiums and fitness centers as follows:

“9-2.3002 Principal Uses Permitted (C-S-P).

Premises in the Service and Professional (C-S-P) Zone may be used for the following principal uses:

.....

(g) Gymnasiums/fitness centers provided that such uses:

a. Shall implement/install sound attenuation insulation between each tenant space(s) to mitigate noise from being emitted into the adjacent tenants;

b. Shall be restricted from locating above the first floor, except facilities that occupy the entire building for such use; and

c. All activities shall be limited within the interior of the building, and any proposed exterior usage shall be subject to a Conditional Use Permit and shall not impede or reduce any required on-site parking;”

C. Subsection (cc) is hereby added to Section 9-2.3202 (Principal Uses Permitted C-G) regarding service and professional uses and shall read as follows:

“9-2.3202 Principal Uses Permitted (C-G).

Premises in the Commercial General (C-G) Zone may be used for the following retail sales establishments, provided at least fifty (50%) percent of the revenues of the business are derived from retail sales:

.....
(cc) Notwithstanding the foregoing, any use permitted as a principal use in the Service and Professional (C-S-P) Zone, may be located in the Commercial General (C-G) Zone provided that the business conducting the use shall be subject to paying the business license tax as set forth in Subsection (b) of Section 3-1.604, as may be amended.”

D. Subsection (p) of Section 9-2.3203 (Uses Permitted Subject to Conditional Use Permits C-G) is hereby deleted, as follows:

“9-2.3203 Uses Permitted Subject to Conditional Use Permits (C-G).

.....
(p) ~~Reserved. Any use permitted as a principal use in the Service and Professional (C-S-P) Zone, provided that, in addition to the standard criteria for the approval of a conditional use permit, the business conducting the use, and the premises on which it occurs, satisfy the following criteria:~~

~~— (1) The business conducting the use shall either: (i) devote at least fifty (50%) percent of its floor area to uses that are directly related to the service and professional business and that generate sales tax, and derive at least fifty (50%) percent of its revenues from sales that generate sales tax; or (ii) pay an additional business license tax set forth in Subsection (b) of Section 3-1.605 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code; and~~

~~— (2) The use will be located on a parcel of property that contains at least three (3) or more separate business suites or units; and~~

~~— (3) The existing service and professional uses on the parcel or property, together with the proposed use, will not occupy more than five (5%) percent of the total square feet of the first floor of the structures on the parcel or property; and~~

~~— (4) The existing service and professional uses on the parcel or property, together with the proposed use, will not occupy more than seventy five (75%) percent of the total square feet of the second floor of the structures on the parcel or the property; and~~

~~— (5) The existing service and professional uses on the parcel or property, together with the proposed use, will not occupy more than one hundred (100%) percent of the total square feet of the floors located above the second floor of the structures on the parcel or the property.”~~

E. Subsection (b) of Section 9-2.3302 (Principal Uses Permitted CPD) is hereby amended in its entirety and restated to remove certain regulations on service and professional uses and shall read as follows:

“9-2.3302 Principal Uses Permitted (CPD).

Premises in the Commercial Planned Development (CPD) Zone may be used for the following principal uses provided a conditional use permit is first obtained as provided in Article 17 by the person or organization proposing to operate the business:

.....

(b) ~~Notwithstanding the foregoing, A~~any use permitted as a principal use in the Service and Professional (C-S-P) Zone ~~shall not require a conditional use permit but , provided that, in addition to the standard criteria for the approval of a conditional use permit, the business conducting the use shall be subject to paying the , and the premises on which it occurs, satisfy the following criteria:~~

~~— (1) — The business conducting the use shall either: (i) devote at least fifty (50%) percent of its floor area to uses that are directly related to the service and professional business and that generate sales tax and derive at least fifty (50%) percent of its revenues from sales that generate sales tax; or (ii) shall pay an additional business license tax as set forth in Subsection (b) of Section 3-1.604, as may be amended. 5 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code;~~

~~— (2) — The use will be located on a parcel of property that contains at least three (3) or more separate business suites or units; and~~

~~— (3) — The existing service and professional uses on the parcel of property, together with the proposed use, will not occupy more than five (5%) percent of the first floor of the structures on the parcel of property, except that up to ten (10%) percent of the first floor of the structures on the parcel of property may be devoted to service and professional uses if the portion above five (5%) percent of the first floor of the structures will be occupied by businesses that pay the additional business license tax set forth in Subsection (b) of Section 3-1.605 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code.”~~

F. Section 9-2.3453 shall be amended and restated in its entirety to read as follows:

“9-2.3453 Specific Plan Zones and Zoning Map Designations.

The following specific plans have been approved and are established as Specific Plan Zones to be designated on the Artesia Zoning Map as set forth herein.

(a) Artesia LIVE Specific Plan. The Artesia LIVE Specific Plan, a copy of which is on file in the office of the City Clerk, has been prepared to facilitate the construction of a seven (7) story mixed use development, located on approximately 0.82 acres of property along Pioneer Boulevard, between 176th Street and 178th Street. The area covered by the Artesia LIVE Specific Plan shall be established as the Artesia LIVE Specific Plan (SP 16-01) Zone, and shall be designated on the Zoning Map by the designation “SP 16-01.”

~~(b) Reserved-South Street Specific Plan. The South Street Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the orderly and efficient development in accordance with the adopted Artesia General Plan (the “General Plan). The intent of the Specific Plan is to maximize the use of the site in a manner that generates tax revenues to the City of Artesia (the “City”) and revitalized the site through positive incentives and customized policies based on comprehensive land use planning concepts. The Specific Plan site encompasses 6.1 acres in the City of Artesia and is located along South Street with a portion of the site fronting Pioneer Boulevard on the east. It is located approximately one mile south of the Artesia (SR-91) Freeway and one-half mile east of the San Gabriel River (I-605) Freeway.~~

(c) Artesia Boulevard Industrial Area Specific Plan. The Artesia Boulevard Industrial Area Specific Plan, a copy of which is on file in the Office of the City Clerk, has

been prepared to facilitate the reconstruction and modernization of a concrete batch plant and related uses, located on approximately 1.77 acres of property (exclusive of public right-of-way) generally bounded on the west by Alburdis Avenue, on the south by Artesia Boulevard, and on the east by Corby Avenue. The area covered by the Artesia Boulevard Industrial Area Specific Plan shall be established as the Artesia Boulevard Industrial Area Specific Plan (SP-3) Zone, and shall be designated on the Zoning Map by the designation "SP-3."

(d) Artesia Boulevard Corridor Specific Plan. The Artesia Boulevard Corridor Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the reconstruction and revitalization of a twenty-one (21) acre area along Artesia Boulevard, between Gridley Road and Pioneer Boulevard. The area covered by the Artesia Boulevard Corridor Specific Plan shall be established as the Artesia Boulevard Corridor Specific Plan (ABCSP) Zone, and shall be designated on the Zoning Map by the designation "ABCSP." Properties within the ABCSP Zone shall be subject to specific plan recovery fees, as set forth by City Council resolution and authorized by Chapter 7 (Specific Plan Recovery Fees) of Title 3 (Finance) of the Artesia Municipal Code.

(e) Pioneer Specific Plan. The Pioneer Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the orderly and efficient development in accordance with the adopted Artesia General Plan (the "General Plan). The intent of the Specific Plan is to maximize the use of the site in a manner that generates tax revenues to the City of Artesia (the "City") and revitalized the site through positive incentives and customized policies based on comprehensive land use planning concepts. The Specific Plan site encompasses 8.6 acres in the City of Artesia and is located on Pioneer Boulevard between 176th Street and 183rd Street. It is located approximately one-half mile south of the Artesia (SR-91) Freeway and one mile east of the San Gabriel River (I-605) Freeway."

SECTION 7. South Specific Plan Amendments. Portions of the South Specific Plan shall be amended as follows:

A. Subsection C (Permitted Uses) of Section 3.2 (Land Use Concept) of Chapter 3.0 (Component Plans) of the South Specific Plan shall be amended in its entirety to read as follows:

"The type of uses permitted within the Specific Plan site are identified in Table 2. When a particular use is not listed, the Planning Director shall be responsible for making a determination as to whether the use is similar to a listed use. Unless the proposed use is determined to be similar to a listed, it shall be a prohibited use.

~~The total amount of floor area within the Specific Plan site that may be devoted to service and professional uses shall not exceed forty five and two tenths percent (45.2%) of the total floor area of all buildings within the Specific Plan site and not exceed twenty four and five tenths percent (24.5%) of the ground floor area of the buildings within the Specific Plan site. No tenant space shall be less than 1,000 square feet in floor area."~~

B. Table 2 (Permitted Uses By the South Specific Plan) of Chapter 3.0 (Component Plans) of the South Specific Plan shall be amended in its entirety to read as follows:

“Table 2

PERMITTED USES BY THE SOUTH SPECIFIC PLAN

Specific Plan Land Use	Permitted Use ⁴
Commercial	<p><u>Retail</u></p> <ul style="list-style-type: none"> • Restaurants with enclosed eating areas • Department stores • Office and school supply stores • Hardware stores • Limited price variety stores • Photo equipment and supply stores • Sales of alcoholic beverages for consumption off-premises • Appliance stores • Shoe stores • Music and record stores • Jewelry stores • Stationary and book stores • Florist shops • Gift, art and novelty stores • Supermarket food store • Drug Store <p><u>Service and Professional Uses¹</u></p> <ul style="list-style-type: none"> • Beauty salons • Barber shops • Banks and other financial institutions • Other similar uses the Planning Director finds substantially similar to the above <u>or any of the principally permitted uses within Section 9-2.3002</u> • The total amount of floor area within the Specific Plan site that may be devoted to service and professional uses shall not exceed forty five and two tenths percent (45.2%) of the total floor area of all buildings within

	the Specific Plan site, and not exceed twenty four and five tenths percent (24.5%) of the ground floor area of the buildings within the Specific Plan site.
--	---

~~1 Approval of these permitted uses shall require discretionary approval and the required Conditional Use Permit specified in the Artesia Municipal Code.~~

¹ Approval of these permitted uses shall be subject to paying the business license tax provided in Subsection (b) of Section 3-1.604, as may be amended.

SECTION 8. Pioneer Specific Plan Amendments. Portions of the Pioneer Specific Plan shall be amended as follows:

A. Table 2 (Permitted Uses by Specific Plan Land Use) of Chapter 3.0 (Component Plans) of the Pioneer Specific Plan shall be amended by adding the following uses as permitted uses, subject to a business license tax:

**“Table 2
PERMITTED USES BY SPECIFIC PLAN LAND USE**

Specific Plan Land Use	Permitted Uses
.....	
<u>Commercial Service and Professional Uses</u>	<u>Banks and other Commercial Service and Professional uses, subject to paying the business license tax provided in Subsection (b) of Section 3-1.604, as may be amended”</u>

B. Table 2A of Section 3.2 (Land Use Concept) of Chapter 3.0 (Component Plans) of the Pioneer Specific Plan shall be deleted in its entirety as follows:

~~**“Table 2A
CONDITIONALLY PERMITTED USES BY SPECIFIC PLAN LAND USE**~~

Specific Plan Land Use	Conditionally Permitted Uses
Commercial Service and Professional Uses	Banks, subject to issuance of a Conditional Use Permit in accordance with Article 17 (Section 9-2.1701 et seq.) and Section 9-2.3203(n)(1)-(3) of the Artesia Municipal Code Other Commercial Service and Professional uses, subject to issuance of

	<p>a Conditional Use Permit in accordance with Article 17 (Section 9-2.1701 et seq.) or Section 9-2.3203(n)(1)-(3) of the Artesia Municipal Code</p> <p>The total amount of floor area within the commercial portion of the Specific Plan area that may be devoted to service and professional uses, including but not limited to, banks, shall not exceed sixteen percent (16%) of the total floor area of all buildings within the commercial portion of the Specific Plan area”</p>
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B. Subsection F of Section 3.2 (Land Use Concept) of Chapter 3 (Component Plans) of the Pioneer Specific Plan is hereby deleted in its entirety as follows:

~~F. Conditionally Permitted Uses~~

~~Banks and other Commercial Service and Professional uses are conditionally permitted uses within the commercial portions of the Specific Plan site as set forth in Table 2A, subject to issuance of a Conditional Use Permit in accordance with Article 17 (Section 9-2.1701 et seq.) and Section 9-2.3203(n)(1)-(3) of the Artesia Municipal Code. The total amount of floor area within the commercial portion of the Specific Plan area that may be devoted to service and professional uses, including but not limited to banks, shall not exceed sixteen percent (16%) of the total floor area of all buildings within the commercial portion of the Specific Plan area.~~

SECTION 9. Artesia Boulevard Corridor Specific Plan Amendments. Portions of the Artesia Boulevard Corridor Specific Plan shall be amended as follows:

A. Table 2-2 (Permitted Uses by Quadrant) of the Artesia Boulevard Corridor Specific Plan is amended to provide that “Financial and Professional Office Uses” and “Service Commercial Uses” shall be subject to the regulations and additional business license taxes, as provided in the new footnote, below:

“Table 2-2 Permitted Uses by Quadrant

	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4
....				
FINANCIAL AND PROFESSIONAL OFFICE USES¹				
....				

SERVICE COMMERCIAL USES¹				
.....				

Note 1. In all quadrants, Financial and Professional Office Uses, as well as Service and Commercial Uses shall be subject to paying the business license tax, as provided in Subsection (b) of Section 3-1.604(b), as may be amended.”

SECTION 10. Effective Date. This Ordinance shall become effective thirty (30) days after the City Council adopts this Ordinance.

SECTION 11. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance, and, to that end, the provisions hereof are severable. The City Council of the City of Artesia declares that it would have adopted all the provisions of this Ordinance that remain valid if any provisions of this ordinance are declared invalid.

SECTION 12. Adoption, Certification, and Publication. The City Clerk of the City of Artesia shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law.

SECTION 13. Record of Proceedings. The documents and materials associated with this ordinance that constitute the record of proceedings on which these findings are based are located at 18747 Clarkdale Avenue, Artesia, California, 90701. The Acting City Clerk is the custodian of the record of proceedings.

PASSED, APPROVED AND ADOPTED by the City Council of the Artesia, California, at a regular meeting of the City Council held on the _____th day of _____, 2022 by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

MELISSA RAMOSO, MAYOR

ATTEST:

JENNIFER ALDERETE, ACTING CITY CLERK

APPROVED AS TO FORM:

BEST BEST & KRIEGER, CITY ATTORNEY

CHAIRPERSON MANALO

VICE CHAIR DIAZ | COMMISSIONER FONSECA

COMMISSIONER BACOLOD | COMMISSIONER PALHINHA

**CITY OF ARTESIA
SPECIAL PLANNING COMMISSION MEETING**

TUESDAY, OCTOBER 25, 2022 | 7:00 p.m.

LOCATION

City Council Chambers of Artesia City Hall
18747 Clarkdale Avenue
(562) 865-6262

AGENDA ITEMS

- 1. Call to Order**
- 2. Invocation**
- 3. Pledge of Allegiance**
- 4. Roll Call of Commission**
- 5. Approval of Agenda**
- 6. Announcement of Speaker Slips**

For record keeping purposes, if you wish to make a statement regarding any item on the agenda, please complete a Speaker Slip located in the lobby or at the podium and deposit it with the Planning Manager prior to the commencement of the meeting. Please note that there is a five-minute time limit per speaker imposed. Please stay within this time limit.

- 7. Consent Calendar**
- 8. New Business – Public Hearings**

A. Case No. 2022-23 - A REQUEST FOR CONSIDERATION AND RECOMMENDATION TO CITY COUNCIL FOR APPROVAL OF AN ORDINANCE AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES; AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW

SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(B)(4), 15301, 15060(C)(2) AND 15061(B)(3)

Recommended Action:

1. Open and conduct a public hearing;
2. Find that the that the proposal is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15378(B)(4), 15301, 15060(C)(2) and 15061(B); and
3. Adopt Resolution 2022-13P: A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARTESIA A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARTESIA RECOMMENDING THAT THE CITY COUNCIL APPROVE AN ORDINANCE AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES; AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(B)(4), 15301, 15060(C)(2) AND 15061(B)(3)

9. New Business – Non-Public Hearing (none)

10. **Discussion/Report Items from Staff (none)**
11. **Items from the Commission**
12. **Adjournment to the Regular Planning Commission Meeting to be held on Tuesday, November 22, 2022, at 6:30 p.m., in the City Council Chambers of Artesia City Hall at 18747 Clarkdale Avenue, Artesia.**

The City of Artesia complies with the Americans with Disabilities Act of 1990. If you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Planning Department at (562) 865-6262 at least 48 hours prior to the meeting.

**CITY OF ARTESIA
PLANNING COMMISSION**



DATE: October 25, 2022
Special Planning Commission
Meeting

TO: Honorable Chairperson and
Members of the Planning
Commission

FROM: Okina Dor, Community Development Director

**SUBJECT: Consideration of Proposed Ordinance and Recommendation
to Council**

Consideration of an ordinance that would, among other things, allow service and professional uses to operate by right in specified zones, including Commercial General, Commercial Planned Development, the South Specific Plan, and Pioneer Specific Plan; remove certain occupancy restrictions on service and professional uses; clarify that service and professional uses are subject to business license taxes, per Measure V; imposing regulations and a parking standard for gyms and fitness centers; and making clerical updates to the City's Zoning Code regarding its existing specific plans

Proposed Ordinance No. 2022-932

RECOMMENDED ACTIONS:

1. Open and conduct a public hearing;
2. Find that the that the proposed Resolution (the "Project") is exempt from the requirements of the California Environmental Quality Act ("CEQA") and the City's CEQA Guidelines, pursuant to State CEQA Guidelines Sections 15378(b)(4), 15301, 15060(c)(2) and 15061(b)(3)
3. Adopt Resolution 2022-13P (Attachment 1): A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARTESIA RECOMMENDING THAT THE CITY COUNCIL APPROVE:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARTESIA
AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA
MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE
FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES;**

AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(b)(4), 15301, 15060(c)(2) and 15061(b)(3)

BACKGROUND:

The City of Artesia is unique in having a voter-approved business license tax that is imposed on service and professional businesses within the City. Many cities only tax retail sales within its jurisdiction.

The City's tax, Measure V, was adopted by the voters in 1999. It provides, in part, that service and professional businesses in the Commercial General, Commercial Planned Development, and Specific Plan Zones must provide a maximum business license tax rate of 10 cents per month for each square foot of floor area occupied by the service and professional business¹. Measure V authorized that rate to be adjusted annually for inflation, as set in the applicable consumer price index.

Notwithstanding this tax, over the years, the City has prioritized the siting of retail commercial businesses within the City that remit higher tax amounts to the City. For example, the City's Zoning Code generally requires that service and professional uses obtain a conditional use permit to operate in commercial zones. It also limits service and professional businesses in commercial zones to a certain percentage of square feet in the first and second floor of buildings. These regulations have limited the opportunities for service and professional businesses to locate within the City.

Though the City has prioritized retail commercial businesses, a reality throughout the country is that as e-commerce has grown, brick and mortar retail stores have declined. This may also be attributed to the pandemic, which discouraged people from visiting stores, in-person. (See "Annual Retail Trade Survey Shows Impact of Online Shopping on Retail Sales During COVID-19 Pandemic," April 27, 2022,

¹ The service and professional businesses that are subject to the Measure V tax are ones that that do not devote at least fifty (50%) percent of its floor area to uses that generate sales tax and do not derive at least fifty (50%) percent of its revenues from sales that generate sales tax. (See AMC § 3-1.604(b).)

<https://www.census.gov/library/stories/2022/04/ecommerce-sales-surged-during-pandemic.html>; “How Valuable is E-Commerce?” August 2019, <https://siepr.stanford.edu/publications/policy-brief/how-valuable-e-commerce>.) The City’s retail sector has been affected, a high percent vacancy rate within the City’s commercial centers. The City is heavily reliant on its retail sector, as the City is a low-property tax city. Meaning, the City receives a lower percentage of property tax than many other cities.

Due to a variety of factors, including rising costs and declining revenue, the City is facing a budget deficit of more than \$450,000 for fiscal year 2022-23. The deficit could worsen, given high inflation and a potential recession that is being forecasted by some economists. If the City cannot find ways to immediately increase its General Fund revenues, it is possible that the City will have to consider options, including reducing essential public services.

ANALYSIS

Given the context of the economic trends and the City’s fiscal situation, described above, the ordinance proposes to expand opportunities for service and professional uses to locate within the City. Specifically, it provides the following:

- Removing the conditional use permit requirement and allowing service and professional uses to locate by right in the Commercial General and Commercial Planned Development zones and the South Specific and Pioneer Specific Plan areas;
- Removing occupancy and siting restrictions on service and professional uses, including limits that allowed such uses to only take up five percent of the total square feet of the first floor in buildings or parcels within the Commercial General and Commercial Planned Development Zones. Removing these type of occupancy and siting restrictions would allow service and professionals to occupy whole ground floors of buildings in those specified zones;
- Similarly removing occupancy and siting restrictions from the South Specific Plan and Pioneer Specific Plans areas that limited service and professional uses to a specified percentages of floor area space in a building; and
- Specifying that service and professional businesses within the South Specific Plan, Pioneer Specific Plan, and Artesia Corridor Specific Plan areas are subject to the Measure V business license tax.

By allowing service and professional businesses to operate by right in some zones and specific plan areas, City staff proposes other related revisions to the City’s Zoning Code, including imposing reasonable regulations and a parking standard for gymnasium and fitness centers within the City. These regulations will help ensure compatibility with surrounding uses. Moreover, the proposed ordinance seeks to fix

other Zoning Code issues, including making explicit references to the City's existing Pioneer and South Specific Plans.

Finally, the proposed ordinance also proposes changes to the City's business license tax in Title 3 of the Municipal Code. However, those proposed amendments are only subject to City Council review.

Taken together, the proposed ordinance seeks to expand opportunities for service and professional uses to locate within the City. These changes, if approved by the City Council, will provide much-needed economic relief to the City.

ENVIRONMENTAL:

This Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4) as business license tax adjustments relate to a government funding mechanism that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Moreover, the zone text amendments are also not subject to CEQA pursuant to Sections 15301, 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Service and professional uses are already allowed through the listed zones and specific plan areas, and allowing them to locate in existing facilities would have a negligible effect on the environment.

PUBLIC NOTICE:

Notice of the public hearing was published in the Los Cerritos Community News on October 14, 2022 and October 21, 2022. Notice of the public hearing was also provided as part of the City's special meeting agenda noticing process.

ATTACHMENT:

1. Resolution 2022-13P (Proposed Ordinance No. 22-932 as Exhibit A)
2. Public Hearing Notice

**CITY OF ARTESIA
PLANNING COMMISSION**

RESOLUTION NO. 2022-13P

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARTESIA RECOMMENDING THAT THE CITY COUNCIL APPROVE AN ORDINANCE AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES; AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(B)(4), 15301, 15060(C)(2) AND 15061(B)(3)

THE PLANNING COMMISSION OF THE CITY OF ARTESIA DOES HEREBY FIND ORDER AND RESOLVE AS FOLLOWS:

SECTION 1: Recitals.

A. Over the years, the City has limited the amount of floor space that service and professional uses may utilize on the first floor of buildings and premises within the City in an effort to preserve those spaces for commercial uses that generate more sales tax. However, there is an increasing demand for service and professional uses in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, and there are many vacant or under-utilized spaces in the aforementioned zones. Meaning, presently, there are not enough commercial uses within the City to utilize all of the vacant or underutilized space in those zones.

B. The City's 2022-23 budget includes a General Fund deficit in excess of \$450,000. If the City cannot increase its revenues or otherwise balance its budget, imminently, the City will be forced to cut essential services.

C. The City's costs are increasing; over approximately the last 12 months, the CPI-U increased 7.8 percent in the Los Angeles-Long Beach-Anaheim area. A possible U.S. recession in the next 12 months is being forecast by some economists. These rapidly rising costs and possible economic downturn will make it even more difficult for the City to balance its budget and will increase the City's risk of having to cut essential public services.

D. Given the urgency of the City's fiscal issues, the Planning Commission desires to expand the ability of service and professional uses to locate within the City's Commercial General (C-G), Commercial Planned Development (CPD) and Specific Plan (SP) zones, among other things, immediately removing the conditional use permit requirement from portions of the City's Zoning Code and specified Specific Plans (South Specific Plan and Pioneer Specific Plan) in order for those uses to locate within the City as soon as possible. Such immediate siting and operations of those uses will help stem the City's financial issues. Moreover, the City further wishes to explicitly impose or increase the tax rates on those uses, as allowed under Measure V in the C-G and CPD zones as well as the South Specific Plan area, Pioneer Specific Plan area, and the Artesia Boulevard Corridor Specific Plan area.

E. The City also recognizes that some service and professional uses, such as gym and fitness facilities need additional regulation to ensure compatibility with surrounding uses and wishes to impose reasonable regulations and parking standards on such uses. With the potential removal of a conditional use permit requirement on gym and fitness facilities, there is an urgent need to impose these reasonable regulations on such facilities that are locating within the City.

F. The City wishes to make other non-substantive changes to the City's Zoning Code through this proposed ordinance, including making explicit reference to the City's South Specific Plan and the Pioneer Specific Plan.

SECTION 2: The Planning Commission finds that the above recitals are true and correct and are incorporated herein as a basis for the findings.

SECTION 3: The Planning Commission of the City of Artesia conducted a duly noticed public hearing at a special meeting on Tuesday, October 25, 2022 to consider this resolution, and following the receipt of public testimony, closed the hearing.

SECTION 4: Pursuant to the California Environmental Quality Act (CEQA), the Planning Commission determines that this project is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4) as business license tax adjustments relate to a

government funding mechanism that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Moreover, the zone text amendments are also not subject to CEQA pursuant to Sections 15301, 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Service and professional uses are already allowed through the listed zones and specific plan areas, and allowing them to locate in existing facilities would have a negligible effect on the environment. categorically exempt from the requirements of CEQA and the City's CEQA Guidelines. The Planning Commission's determination of exemption is based its own independent judgment.

SECTION 5: Based on all the evidence in the record, the Planning Commission makes the following findings in support of this Resolution pursuant to Government Code sections 65860 and 65855:

The City's General Plan is the long-range planning document, providing the vision for the future development of the City. The zoning code amendments are consistent with the General Plan in accordance with Government Code sections 65860 and 65855. The following General Plan guiding principles and implementing policies are applicable to this zone text amendment to regulate business zoning:

- A. Community Planning Principle LU 4, which provides: "The City of Artesia is a built out community, with most new development occurring at infill sites. Redevelopment is occurring throughout the City and some uses are transitioning to reflect the changing needs of residents and business owners. Maximizing the uses in current commercial centers is seen as a valuable economic development tool that will enhance shopping, dining and entertainment options that can improve quality of life in Artesia." Also, the zoning amendments support Community Goal LU 1, which provides: "A well planned community with sufficient land uses and intensities to meet the needs of anticipated growth and achieve the community's vision," and Policy Action LU 1.2.3, which provide: "Develop small-scale neighborhood nodes that provide a range of essential, neighborhood-serving retail and public amenities and services to residents." Further, these zoning amendments support Community Goal LU 3, which provides, "Revitalization of aging, underused or deteriorated commercial corridors, centers, and properties in the City;" and Community Policy LU 3.1, which provides, "Encourage a mix of retail shops and services along the commercial corridors and in centers that better meet the needs of the area's present and future customers."

Operators of service and professional uses are requesting to locate within the City, and some of the City's commercial centers have vacant or under-utilized space. Moreover, residents and customers desire a varied experience in which they can shop and obtain services in close proximity. Providing service and professional use operators the ability to more easily move into the City's commercial centers is a valuable economic development tool that will enhance shopping, dining, and entertainment options and improve quality of life in Artesia because customers will be able to conveniently access more service and professional uses. Expanding these opportunities for service and professional uses will result in less vacant and under-utilized space within the City's commercial centers and increase business tax revenues, as authorized under Measure V. This will improve Artesians' quality of life because the City will be able to maintain or improve public services with those additional funds. Moreover, imposing reasonable regulations and parking standards on gymnasium and fitness facilities will ensure compatibility with surrounding uses while ensuring that Artesians have additional space for physical fitness and recreation.

- B. Community Policy ED 1.2, which provides, "Attract new businesses while supporting and assisting those already located in the City," as well as Community Goal ED 2, which provides, "A stable fiscal environment provides resources for desired facilities and services," and Policy Action ED 2.1.2, "Explore opportunities to encourage growth in sectors that provide fiscal revenue."

The proposed zoning amendments aim to expand the footprint of service and professional uses by taking away certain restrictions that were imposed on their siting and occupancy within the City. For example, service and professional businesses would be able to more freely locate on the first floor of a building or premises. These uses would take up some of the vacant or under-utilized space within the various zones and districts that are not generating any or little revenue for the City. Because the City is able to tax such uses through Measure V and Measure M, the expansion of these uses would provide a more stable fiscal environment for the City while providing customers and residents more service opportunities.

- C. Community Goal CIR 4.1 to promote a balance of residential, commercial, institutional uses with adjacencies that reduce vehicle miles traveled.

By locating service and professional uses more closely to other uses such as retail and commercial, there will be less vehicle miles traveled by customers and residents who are seeking to both obtain services and to shop and dine.

The amendments to the specific plans are consistent with the respective Specific Plans as follows:

A. Pioneer Specific Plan: A goal of this specific plan is to: “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the Pioneer Specific Plan provide greater opportunity to service and professional uses by, among other things, providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City’s voter-approved business tax measure, this will strengthen the City’s financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

B. South Specific Plan: A goal of this specific plan “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the South Specific Plan provide greater opportunity to service and professional uses by, among other things, by providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City’s voter-approved business tax measure, this will strengthen the City’s financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

C. Artesia Boulevard Corridor Specific Plan: A goal of this specific plan is to “Establish a healthy and diverse business corridor. The corridor’s eclectic character and interesting mix of land uses should be emphasized and encouraged.” Another goal is to “Allow flexibility while maintaining compatibility. To adapt to changes in the market, development standards should be flexible, while ensuring compatibility and connectivity to adjacent uses.” An overarching goal is to “Encourage mixed use buildings and mixed use sites for greater economic diversity and more “eyes on the street.”

The proposed changes to the Artesia Boulevard Corridor Specific Plan continues to encourage service and professional uses within the City, particularly

in vacant and under-utilized areas. The addition of the business license tax on service and professional uses will increase revenue to the City, which the City can re-invest into the City, including this Specific Plan area.

SECTION 6: Based on the findings set forth herein and on all the evidence in the record, the Planning Commission hereby recommends that the City Council adopt proposed Ordinance No. 22-932, which is attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 7: The Planning Clerk shall certify to the adoption of this Resolution.

SECTION 8: The location and custodian of the documents and other material, which constitute the record of proceedings upon which the Planning Commission based its decision, is as follows:

Okina Dor, Community Development Director
18747 Clarkdale Avenue
Artesia, CA 90701
(562) 865-6262 Ext. 227

PASSED, APPROVED AND ADOPTED this 25th day of October, 2022.

Victor Manalo, Chairperson

ATTEST:

Planning Clerk

ROLL CALL VOTE:

AYES: COMMISSIONERS:
NOES: COMMISSIONERS:
ABSENT: COMMISSIONERS:
ABSTAIN: COMMISSIONERS:

ORDINANCE NO. 22-932

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARTESIA AMENDING ARTICLE 6 OF CHAPTER 1 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE TO ADJUST THE BUSINESS LICENSE TAX RATE FOR CERTAIN PROFESSIONAL AND SERVICE BUSINESSES; AMENDING ARTICLE 3 OF CHAPTER 2 OF TITLE 9 OF THE CITY'S ZONING CODE TO, AMONG OTHER THINGS, ALLOW SERVICE AND PROFESSIONAL USES BY RIGHT IN SPECIFIED ZONES, INCLUDING COMMERCIAL GENERAL, COMMERCIAL PLANNED DEVELOPMENT, SOUTH SPECIFIC PLAN, AND PIONEER SPECIFIC PLAN AREAS; REMOVING CERTAIN OCCUPANCY RESTRICTIONS ON SUCH USES; CLARIFYING THAT SUCH USES ARE SUBJECT TO THE BUSINESS LICENSE TAX IN THOSE ZONES OR SPECIFIC PLAN AREAS, INCLUDING THE SOUTH, PIONEER, AND ARTESIA BOULEVARD CORRIDOR PLAN AREAS; SPECIFYING REGULATIONS AND PARKING STANDARDS FOR GYMS; UPDATING THE ZONING CODE TO REFERENCE THE SOUTH SPECIFIC PLAN AND PIONEER SPECIFIC PLAN; MAKING A DETERMINATION OF EXEMPTION UNDER CEQA PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15378(b)(4), 15301, 15060(c)(2) and 15061(b)(3)

THE CITY COUNCIL OF THE CITY OF ARTESIA FINDS AND DECLARES:

WHEREAS, on March 2, 1999, the voters of Artesia approved Measure V ("Ordinance E-99-1"), a general business license tax imposed on those professional and service businesses that operate in the City's Commercial General (C-G) and Commercial Planned Development (CPD) zones; and,

WHEREAS, effective January 1, 2013, the general business license tax imposed through Measure V was expanded so that professional and service businesses within Specific Plan (SP) Zones also became subject to the tax. This was imposed through the voter-approved Measure M, the "Artesia Local Services Ordinance," or Ordinance No. 12-790; and

WHEREAS, Section 2(b) of Measure V authorizes a maximum business license tax rate of \$0.10 per month for each square foot of floor area occupied by the service and professional business; and

WHEREAS, Section 2(b) of Measure V provides that the maximum tax rate of \$0.10 per month shall be adjusted annually for inflation, as set forth in the applicable Consumer Price Index; and

WHEREAS, based upon Consumer Price Index (CPI) data, the maximum permissible business license tax rate for Year 2023 under Measure V will be \$0.178 per month for each square foot of floor area occupied by service and professional businesses

which operate in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, unless exempt; and

WHEREAS, while Section 3 of Measure V does not permit the City Council to increase the amount of the tax beyond the maximum inflation-adjusted rate set forth above without voter approval, it authorizes the City Council to "make any other amendments and adjustments" to this Ordinance or the Artesia Municipal Code, "including but not limited to reducing the amount of the tax. . . ."; and,

WHEREAS, the City of Artesia (the "City") enacted a temporary tax reduction on April 11, 2011, via Ordinance No. 11-765 to encourage businesses to use the upper floors of buildings in Artesia, and thereby preserve ground floor space for commercial businesses that typically generate higher sales tax. Among other things, beginning July 1, 2011, Ordinance No. 11-765 set the tax amount on service and professional businesses located on the first floor of a building or premises at thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area. Ordinance No. 11-765 also set the tax amount on businesses located on the second floor of a building or premises to ten (\$0.10) cents per month for each square foot of floor area, and seven (\$0.07) cents per month for each square foot of floor area located on the third or higher floors. These amounts have not been adjusted for CPI since 2011; and

WHEREAS, moreover, over the years, the City has limited the amount of floor space that service and professional uses may utilize on the first floor of buildings and premises within the City in an effort to preserve those spaces for commercial uses that generate more sales tax. However, there is an increasing demand for service and professional uses in the City's Commercial General (C-G), Commercial Planned Development (CPD), and Specific Plan (SP) zones, and there are many vacant or under-utilized spaces in the aforementioned zones. Meaning, presently, there are not enough commercial uses within the City to utilize all of the vacant or underutilized space in those zones; and

WHEREAS, business license taxes go to the City's General Fund to fund essential services, including, without limitation, police, fire, public works, parks and recreation, community development, code enforcement, finance, and City administration; and

WHEREAS, the City's 2022-23 budget includes a General Fund deficit in excess of \$450,000. If the City cannot increase its revenues or otherwise balance its budget, imminently, the City will be forced to cut essential services; and

WHEREAS, the City's costs are increasing; over approximately the last 12 months, the CPI-U increased 7.8 percent in the Los Angeles-Long Beach-Anaheim area. A possible U.S. recession in the next 12 months is being forecast by some economists. These rapidly rising costs and possible economic downturn will make it even more difficult for the City to balance its budget and will increase the City's risk of having to cut essential public services; and

WHEREAS, given the urgency of the City's fiscal issues, the City Council desires to expand the ability of service and professional uses to locate within the City's Commercial General (C-G), Commercial Planned Development (CPD) and Specific Plan (SP) zones, among other things, immediately removing the conditional use permit requirement from portions of the City's Zoning Code and specified Specific Plans in order for those uses to locate within the City as soon as possible. Such immediate siting and operations of those uses will help stem the City's financial issues. Moreover, the City further wishes to explicitly impose or increase the tax rates on those uses, as allowed under Measure V; and

WHEREAS, the City also recognizes that some service and professional uses, such as gym and fitness facilities need additional regulation to ensure compatibility with surrounding uses and wishes to impose reasonable regulations and parking standards on such uses. With the removal of a conditional use permit requirement on gym and fitness facilities, there is an urgent need to impose these reasonable regulations on such facilities that are locating within the City; and

WHEREAS, the City Council desires to continue to incentivize service and professional uses to locate in the floors above a first floor by imposing a slightly lower tax rate on the use of higher floors, but also providing that the tax rate will increase by CPI for these uses wherever they are located, as allowed under Measure V. The restructuring of the tax is expected to increase General Fund revenue by approximately \$80,000, which is urgently needed to address the City's budget deficit; and

WHEREAS, there is an immediate need for the City to enact this ordinance for the preservation of the public peace, health and safety, and this ordinance relates to taxes for the usual and current expenses of the City, as provided in Government Code section 36937, because business license tax goes to the City's General Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARTESIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and incorporated herein as substantive findings of this Ordinance.

SECTION 2. CEQA. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4) as business license tax adjustments relate to a government funding mechanism that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Moreover, the zone text amendments are also not subject to CEQA pursuant to Sections 15301, 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Service and professional uses are

already allowed through the listed zones and specific plan areas, and allowing them to locate in existing facilities would have a negligible effect on the environment.

City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 3. General Plan Consistency Findings. Government Code sections 65860 and 65855 require a city's zoning ordinance to be consistent with the general plan. Based on all evidence in the record, the City Council finds as follows:

The City's General Plan is the long-range planning document, providing the vision for the future development of the City. The zoning code amendments are consistent with the General Plan in accordance with Government Code sections 65860 and 65855. The following General Plan guiding principles and implementing policies are applicable to this zone text amendment to regulate business zoning:

- A. Community Planning Principle LU 4, which provides: "The City of Artesia is a built out community, with most new development occurring at infill sites. Redevelopment is occurring throughout the City and some uses are transitioning to reflect the changing needs of residents and business owners. Maximizing the uses in current commercial centers is seen as a valuable economic development tool that will enhance shopping, dining and entertainment options that can improve quality of life in Artesia." Also, the zoning amendments support Community Goal LU 1, which provides: "A well planned community with sufficient land uses and intensities to meet the needs of anticipated growth and achieve the community's vision," and Policy Action LU 1.2.3, which provide: "Develop small-scale neighborhood nodes that provide a range of essential, neighborhood-serving retail and public amenities and services to residents." Further, these zoning amendments support Community Goal LU 3, which provides, "Revitalization of aging, underused or deteriorated commercial corridors, centers, and properties in the City;" and Community Policy LU 3.1, which provides, "Encourage a mix of retail shops and services along the commercial corridors and in centers that better meet the needs of the area's present and future customers."

Operators of service and professional uses are requesting to locate within the City, and some of the City's commercial centers have vacant or under-utilized space. Moreover, residents and customers desire a varied experience in which they can shop and obtain services in close proximity. Providing service and professional use operators the ability to more easily move into the City's commercial centers is a valuable economic development tool that will enhance shopping, dining, and entertainment options and improve quality of life in Artesia because customers will be able to conveniently access more service and professional uses. Expanding these opportunities for service and professional uses will result in less vacant and under-utilized space within the City's commercial centers and increase business tax revenues, as authorized under Measure V. This will improve Artesians' quality of life because the City will be able to maintain or improve public services with those additional funds. Moreover, imposing reasonable regulations and parking

standards on gymnasium and fitness facilities will ensure compatibility with surrounding uses while ensuring that Artesians have additional space for physical fitness and recreation.

- B. Community Policy ED 1.2, which provides, "Attract new businesses while supporting and assisting those already located in the City," as well as Community Goal ED 2, which provides, "A stable fiscal environment provides resources for desired facilities and services," and Policy Action ED 2.1.2, "Explore opportunities to encourage growth in sectors that provide fiscal revenue."

The proposed zoning amendments aim to expand the footprint of service and professional uses by taking away certain restrictions that were imposed on their siting and occupancy within the City. For example, service and professional businesses would be able to more freely locate on the first floor of a building or premises. These uses would take up some of the vacant or under-utilized space within the various zones and districts that are not generating any or little revenue for the City. Because the City is able to tax such uses through Measure V and Measure M, the expansion of these uses would provide a more stable fiscal environment for the City while providing customers and residents more service opportunities.

- C. Community Goal CIR 4.1 to promote a balance of residential, commercial, institutional uses with adjacencies that reduce vehicle miles traveled.

By locating service and professional uses more closely to other uses such as retail and commercial, there will be less vehicle miles traveled by customers and residents who are seeking to both obtain services and to shop and dine.

SECTION 4. Specific Plan Consistency Findings. Government Code sections 65860 and 65855 require a city's zoning ordinance to be consistent with the its specific plans. The amendments to the specific plans are consistent with the respective plans as follows:

A. Pioneer Specific Plan: A goal of this specific plan is to: "Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties." Another goal is to "Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community."

The proposed changes to the Pioneer Specific Plan provide greater opportunity to service and professional uses by, among other things, providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City's voter-approved business tax measure, this will strengthen the City's financial standing.

The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

B. South Specific Plan: A goal of this specific plan “Encourage a pattern of mixed-uses which takes maximum advantage of the physical, social and economic potential of the site without adversely impacting the adjacent viable residential and commercial properties.” Another goal is to “Establish development standards and guidelines which are suitable for the development of the property taking into consideration the surrounding community.”

The proposed changes to the South Specific Plan provide greater opportunity to service and professional uses by, among other things, by providing that service and professional uses shall be permitted uses within this specific plan area. This will increase opportunities for residents and customers to obtain desired services within the City. Moreover, because these services and professional uses will be subject to the City’s voter-approved business tax measure, this will strengthen the City’s financial standing. The removal of the conditional use permit requirement is appropriate, as these type of services have little impact on surrounding uses.

C. Artesia Boulevard Corridor Specific Plan: A goal of this specific plan is to “Establish a healthy and diverse business corridor. The corridor’s eclectic character and interesting mix of land uses should be emphasized and encouraged.” Another goal is to “Allow flexibility while maintaining compatibility. To adapt to changes in the market, development standards should be flexible, while ensuring compatibility and connectivity to adjacent uses.” An overarching goal is to “Encourage mixed use buildings and mixed use sites for greater economic diversity and more “eyes on the street.”

The proposed changes to the Artesia Boulevard Corridor Specific Plan continues to encourage service and professional uses within the City, particularly in vacant and under-utilized areas. The addition of the business license tax on service and professional uses will increase revenue to the City, which the City can re-invest into the City, including this Specific Plan area.

SECTION 5. Business License Tax Ordinance Amendment. The title of Section 3-1.604 and Subsection (b) of Section 3-1.604 of Article 6 of Chapter 1 of Title 3 of the Artesia Municipal Code are hereby amended and restated in their entirety to read as follows:

“Section 3-1.604 Business License Taxes for Professions and Service Businesses.

.....

(b) Additional Tax on Service and Professional Businesses in Commercial General, Commercial Planned Development and Specific Plan Zones.

(1) In addition to paying any business license tax specified in this article, any person who operates a service and professional business within the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zones that does not devote at least fifty (50%) percent of its floor area to uses that generate sales tax and does not derive at least fifty (50%) percent of its revenues from sales that generate sales tax shall pay an additional business license tax, which tax shall be calculated as follows:

(i) As established by Measure V, from March 2, 1999 to December 31, 2009, the amount of the tax shall be equal to ten (\$0.10) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business. As authorized by Subsection (b)(1)(ii) of this section, commencing January 1, 2010, the amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business, except as otherwise provided in Subsection (b)(5) of this section. As authorized by Subsection (b)(1)(ii) of this section, commencing January 1, 2023, the maximum amount of the tax shall be equal to seventeen and eight tenths (\$0.178) cents per month for each square foot of floor area of the building or premises occupied by the service and professional business, except as otherwise provided in Subsection (b)(6) of this section.

(ii) The amount of the tax shall be adjusted annually as of January 1st of each year, commencing January 1, 2000, by the percentage change in the Consumer Price Index. All Urban Consumers, for the Los Angeles-Anaheim-Riverside statistical area during the twelve (12) month period ending on October 31st of the immediately preceding year.

(2) Businesses lawfully existing and operating in the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zones prior to March 2, 1999 shall be exempt from the payment of the tax specified in this Subsection (b) unless the business expands, converts or relocates.

(3) The tax required by this Subsection (b) shall be paid by the business owner in conjunction with and in the same manner as other business license taxes required by this article.

(4) The City Manager is hereby directed to establish all necessary forms, documents and procedures to implement the terms of this Subsection (b).

(5) Commencing July 1, 2011, the amount of the tax shall vary depending on the location of the business within a building as follows:

(i) The amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of the first floor of the building

or premises occupied by the service and professional business. This amount reflects the adjustment as of January 1, 2010, pursuant to Subsection (b)(1)(ii) of this section.

(ii) The amount of the tax shall be equal to ten (\$0.10) cents per month for each square foot of floor area of the second floor of the building or premises occupied by the service and professional business.

(iii) The amount of the tax shall be equal to seven (\$0.07) cents per month for each square foot of floor area of the third or higher floors of the building or premises occupied by the service and professional business.

(6) Commencing January 1, 2023, the tax amount under subsection (b)(5) shall no longer apply and the amount of the tax shall vary depending on the location of the business within a building as follows:

(i) The amount of the tax shall be equal to seventeen and eight tenths (\$0.178) cents per month for each square foot of floor area of the first floor of the building or premises occupied by the service and professional business. This amount reflects the adjustment as of January 1, 2023, pursuant to Subsection (b)(1)(ii) of this section. The amount of the tax shall be adjusted annually, pursuant to Subsection (b)(1)(ii) of this section.

(ii) The amount of the tax shall be equal to thirteen and seven tenths (\$0.137) cents per month for each square foot of floor area of any floor above the first floor of the building or premises occupied by the service and professional business. The amount of the tax shall be adjusted annually, pursuant to Subsection (b)(1)(ii) of this section.

(iv) Subsections (b)(5) and (b)(6)(ii) are intended to provide a temporary reduction in the maximum amount of the tax required by Subsection (b)(1), as an incentive, for as long as the City Council deems necessary, to locate service and professional businesses in the underutilized upper floors of buildings located in the Commercial General (C-G) Zone, Commercial Planned Development (CPD) Zone or Specific Plan (SP) Zone. This temporary tax reduction by the City Council shall not constitute a repeal of Subsection (b)(1). Upon the City Council's termination of the temporary tax rate reduction set forth in Subsections (b)(5) or (b)(6)(ii), the amount of the tax shall be imposed at the maximum rate set forth in Subsection (b)(1), unless and until the City Council sets another lower rate as authorized by law. Nothing in Subsections (b)(5) and/or (b)(6) are intended to require voter approval under Article XIII C of the California Constitution; and to the extent that any aspect of a temporary tax reduction shall be deemed null and void ab initio, and there shall be no entitlement to such tax reduction for any qualifying service and professional business.

(7) For the purposes of Subsection (b), the term "floor area" shall have the meaning prescribed in Section 9-2.407.

(c) Professions and service businesses shall include, but not be limited to, the following:

- (1) Accountants;
- (2) Advertising agents (except outdoor advertising);
- (3) Appraisers;
- (4) Architects;
- (5) Attorneys at law;
- (6) Auctioneers;
- (7) Certified public accountants;
- (8) Chemists;
- (9) Chiropractors;
- (10) Collection agents;
- (11) Credit counselors;
- (12) Dentists;
- (13) Designers and illustrators;
- (14) Doctors of medicine;
- (15) Draftsmen;
- (16) Drugless practitioners;
- (17) Employment agencies;
- (18) Engineers, civil, chemical, computer software, mechanical, structural and hydraulic;
- (19) Engravers;
- (20) Escrow services;
- (21) Gymnasiums/fitness centers;

- (22) Import/export, administrative offices (no retail/wholesale);
- (23) Insurance brokers (insurance agents are exempt);
- (24) Laboratory technicians;
- (25) Landscape architects;
- (26) Lithographers;
- (27) Masseurs and masseuses;
- (28) Ophthalmologist;
- (29) Pharmacists;
- (30) Physicians;
- (31) Real estate brokers (See Section 3-1.609 of this article for real estate salespeople/agents);
- (32) Security firms/guards;
- (33) Surveyors;
- (34) Travel agencies/bureaus; and
- (35) Veterinarians.”

SECTION 6. Zoning Code Amendment. The following sections or subsections of Title 9, Chapter 2, Article 3 of the Artesia Municipal Code are amended, added, or deleted as follows:

A. Subsection (b) (Commercial Uses) of Section 9-2.1103 (Parking Spaces Required) is hereby amended to provide a parking standard for Gymnasiums/Fitness Centers as follows:

“9-2.1103 Parking Spaces Required.

The following parking spaces shall be required:

.....

(b) *Commercial Uses.*

.....

(16) Gymnasiums/Fitness Centers. For gymnasiums/fitness centers there shall be one (1) parking space for every two hundred (200) square feet of gross floor area

B. Subsection (g) (Gymnasiums) of Section 9-2.3002 (Principal Uses Permitted C-S-P) is hereby amended to add certain regulations upon gymnasiums and fitness centers as follows:

“9-2.3002 Principal Uses Permitted (C-S-P).

Premises in the Service and Professional (C-S-P) Zone may be used for the following principal uses:

.....

(g) Gymnasiums/fitness centers provided that such uses:

a. Shall implement/install sound attenuation insulation between each tenant space(s) to mitigate noise from being emitted into the adjacent tenants;

b. Shall be restricted from locating above the first floor, except facilities that occupy the entire building for such use; and

c. All activities shall be limited within the interior of the building, and any proposed exterior usage shall be subject to a Conditional Use Permit and shall not impede or reduce any required on-site parking;”

C. Subsection (cc) is hereby added to Section 9-2.3202 (Principal Uses Permitted C-G) regarding service and professional uses and shall read as follows:

“9-2.3202 Principal Uses Permitted (C-G).

Premises in the Commercial General (C-G) Zone may be used for the following retail sales establishments, provided at least fifty (50%) percent of the revenues of the business are derived from retail sales:

.....

(cc) Notwithstanding the foregoing, any use permitted as a principal use in the Service and Professional (C-S-P) Zone, may be located in the Commercial General (C-G) Zone provided that the business conducting the use shall be subject to paying the business license tax as set forth in Subsection (b) of Section 3-1.604, as may be amended.”

D. Subsection (p) of Section 9-2.3203 (Uses Permitted Subject to Conditional Use Permits C-G) is hereby deleted, as follows:

“9-2.3203 Uses Permitted Subject to Conditional Use Permits (C-G).

....

(p) Reserved. ”

E. Subsection (b) of Section 9-2.3302 (Principal Uses Permitted CPD) is hereby amended in its entirety and restated to remove certain regulations on service and professional uses and shall read as follows: **“9-2.3302 Principal Uses Permitted (CPD).**

Premises in the Commercial Planned Development (CPD) Zone may be used for the following principal uses provided a conditional use permit is first obtained as provided in Article 17 by the person or organization proposing to operate the business:

....

(b) Notwithstanding the foregoing, any use permitted as a principal use in the Service and Professional (C-S-P) Zone shall not require a conditional use permit but the business conducting the use shall be subject to paying the business license tax as set forth in Subsection (b) of Section 3-1.604, as may be amended.”

F. Section 9-2.3453 shall be amended and restated in its entirety to read as follows:

“9-2.3453 Specific Plan Zones and Zoning Map Designations.

The following specific plans have been approved and are established as Specific Plan Zones to be designated on the Artesia Zoning Map as set forth herein.

(a) Artesia LIVE Specific Plan. The Artesia LIVE Specific Plan, a copy of which is on file in the office of the City Clerk, has been prepared to facilitate the construction of a seven (7) story mixed use development, located on approximately 0.82 acres of property along Pioneer Boulevard, between 176th Street and 178th Street. The area covered by the Artesia LIVE Specific Plan shall be established as the Artesia LIVE Specific Plan (SP 16-01) Zone, and shall be designated on the Zoning Map by the designation “SP 16-01.”

(b) South Street Specific Plan. The South Street Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the orderly and efficient development in accordance with the adopted Artesia General Plan (the “General Plan). The intent of the Specific Plan is to maximize the use of the site in a manner that generates tax revenues to the City of Artesia (the “City”) and revitalized the site through positive incentives and customized policies based on comprehensive land use planning concepts. The Specific Plan site encompasses 6.1 acres in the City of Artesia and is located along South Street with a portion of the site fronting Pioneer Boulevard on the east. It is located approximately one mile south of the Artesia (SR-91) Freeway and one-half mile east of the San Gabriel River (I-605) Freeway.

(c) Artesia Boulevard Industrial Area Specific Plan. The Artesia Boulevard Industrial Area Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the reconstruction and modernization of a concrete batch plant

and related uses, located on approximately 1.77 acres of property (exclusive of public right-of-way) generally bounded on the west by Alburdis Avenue, on the south by Artesia Boulevard, and on the east by Corby Avenue. The area covered by the Artesia Boulevard Industrial Area Specific Plan shall be established as the Artesia Boulevard Industrial Area Specific Plan (SP-3) Zone, and shall be designated on the Zoning Map by the designation "SP-3."

(d) Artesia Boulevard Corridor Specific Plan. The Artesia Boulevard Corridor Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the reconstruction and revitalization of a twenty-one (21) acre area along Artesia Boulevard, between Gridley Road and Pioneer Boulevard. The area covered by the Artesia Boulevard Corridor Specific Plan shall be established as the Artesia Boulevard Corridor Specific Plan (ABCSP) Zone, and shall be designated on the Zoning Map by the designation "ABCSP." Properties within the ABCSP Zone shall be subject to specific plan recovery fees, as set forth by City Council resolution and authorized by Chapter 7 (Specific Plan Recovery Fees) of Title 3 (Finance) of the Artesia Municipal Code.

(e) Pioneer Specific Plan. The Pioneer Specific Plan, a copy of which is on file in the Office of the City Clerk, has been prepared to facilitate the orderly and efficient development in accordance with the adopted Artesia General Plan (the "General Plan"). The intent of the Specific Plan is to maximize the use of the site in a manner that generates tax revenues to the City of Artesia (the "City") and revitalized the site through positive incentives and customized policies based on comprehensive land use planning concepts. The Specific Plan site encompasses 8.6 acres in the City of Artesia and is located on Pioneer Boulevard between 176th Street and 183rd Street. It is located approximately one-half mile south of the Artesia (SR-91) Freeway and one mile east of the San Gabriel River (I-605) Freeway."

SECTION 7. South Specific Plan Amendments. Portions of the South Specific Plan shall be amended as follows:

A. Subsection C (Permitted Uses) of Section 3.2 (Land Use Concept) of Chapter 3.0 (Component Plans) of the South Specific Plan shall be amended in its entirety to read as follows:

"The type of uses permitted within the Specific Plan site are identified in Table 2. When a particular use is not listed, the Planning Director shall be responsible for making a determination as to whether the use is similar to a listed use. Unless the proposed use is determined to be similar to a listed, it shall be a prohibited use.

"

B. Table 2 (Permitted Uses By the South Specific Plan) of Chapter 3.0 (Component Plans) of the South Specific Plan shall be amended in its entirety to read as follows:

"Table 2

PERMITTED USES BY THE SOUTH SPECIFIC PLAN

Specific Plan Land Use	Permitted Use
Commercial	<p><u>Retail</u></p> <ul style="list-style-type: none"> • Restaurants with enclosed eating areas • Department stores • Office and school supply stores • Hardware stores • Limited price variety stores • Photo equipment and supply stores • Sales of alcoholic beverages for consumption off-premises • Appliance stores • Shoe stores • Music and record stores • Jewelry stores • Stationary and book stores • Florist shops • Gift, art and novelty stores • Supermarket food store • Drug Store <p><u>Service and Professional Uses¹</u></p> <ul style="list-style-type: none"> • Beauty salons • Barber shops • Banks and other financial institutions • Other similar uses the Planning Director finds substantially similar to the above or any of the principally permitted uses within Section 9-2.3002 •

¹ Approval of these permitted uses shall be subject to paying the business license tax provided in Subsection (b) of Section 3-1.604, as may be amended.”

SECTION 8. Pioneer Specific Plan Amendments. Portions of the Pioneer Specific Plan shall be amended as follows:

A. Table 2 (Permitted Uses by Specific Plan Land Use) of Chapter 3.0 (Component Plans) of the Pioneer Specific Plan shall be amended by adding the following uses as permitted uses, subject to a business license tax:

**“Table 2
PERMITTED USES BY SPECIFIC PLAN LAND USE**

Specific Plan Land Use	Permitted Uses
. . . .	
Commercial Service and Professional Uses	Banks and other Commercial Service and Professional uses, subject to paying the business license tax provided in Subsection (b) of Section 3-1.604, as may be amended”

B. Table 2A of Section 3.2 (Land Use Concept) of Chapter 3.0 (Component Plans) of the Pioneer Specific Plan shall be deleted in its entirety as follows:

“

B. Subsection F of Section 3.2 (Land Use Concept) of Chapter 3 (Component Plans) of the Pioneer Specific Plan is hereby deleted in its entirety as follows:

SECTION 9. Artesia Boulevard Corridor Specific Plan Amendments. Portions of the Artesia Boulevard Corridor Specific Plan shall be amended as follows:

A. Table 2-2 (Permitted Uses by Quadrant) of the Artesia Boulevard Corridor Specific Plan is amended to provide that “Financial and Professional Office Uses” and “Service Commercial Uses” shall be subject to the regulations and additional business license taxes, as provided in the new footnote, below:

“Table 2-2 Permitted Uses by Quadrant

	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4
. . . .				
FINANCIAL AND PROFESSIONAL OFFICE USES¹				
. . . .				
SERVICE COMMERCIAL USES¹				

....				
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Note 1. In all quadrants, Financial and Professional Office Uses, as well as Service and Commercial Uses shall be subject to paying the business license tax, as provided in Subsection (b) of Section 3-1.604(b), as may be amended.”

SECTION 10. Effective Date. This Ordinance shall become effective immediately after the Council adopts this Ordinance pursuant to Government Code section 36937 as an urgency ordinance and because it relates to taxes for the usual and current expenses of the City.

SECTION 11. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance, and, to that end, the provisions hereof are severable. The City Council of the City of Artesia declares that it would have adopted all the provisions of this Ordinance that remain valid if any provisions of this ordinance are declared invalid.

SECTION 12. Adoption, Certification, and Publication. The City Clerk of the City of Artesia shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law.

SECTION 13. Record of Proceedings. The documents and materials associated with this ordinance that constitute the record of proceedings on which these findings are based are located at 18747 Clarkdale Avenue, Artesia, California, 90701. The Acting City Clerk is the custodian of the record of proceedings.

PASSED, APPROVED AND ADOPTED by the City Council of the Artesia, California, at a regular meeting of the City Council held on the _____th day of _____, 2022 by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

MELISSA RAMOSO, MAYOR

ATTEST:

JENNIFER ALDERETE, ACTING CITY CLERK

APPROVED AS TO FORM:

BEST BEST & KRIEGER, CITY ATTORNEY

NOTICE OF PLANNING COMMISSION

PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of Artesia Planning Commission will hold a **Public Hearing at a Special Meeting** to consider the following project:

Project Description: The City of Artesia is noticing a public hearing of the Planning Commission to consider recommending a zone text amendment to the City Council that would amend various portions of Chapter 2 (Zoning) of Title 9 (Planning and Zoning) of the Artesia Municipal Code, as well as the Pioneer Specific Plan, South Specific Plan, Artesia Boulevard Corridor Specific Plan. The proposed amendments would do the following:

- Delete or modify conditions, criteria, or language under which service and professional businesses are eligible to locate in the Commercial General, Commercial Planned Development, or Specific Plan Zones in the City. Those revisions include, among other things, adjustments in the business license tax rate, where service and professional businesses would be allowed to locate, and the conditions and criteria that a service or professional business would have to satisfy in order to locate within the subject zones;
- Remove a conditional use permit requirement for service and professional uses in some zoning districts and specific plan areas;
- Make revisions to gymnasium and fitness center uses including, without limitation, specifying that they are a service and professional use, imposing regulations on such uses, and setting a parking standard for such uses.
- Reference adopted specific plans including the South Street Specific Plan and Pioneer Specific Plan by codifying them into the Artesia Zoning Code.

Applicant: City of Artesia

Location: The regulations will apply to the Commercial General, Commercial Planned Development, Service and Professional Zones and applicable Specific Plan Zones, including the Pioneer Specific Plan area, the South Specific Plan area, and Artesia Boulevard Corridor Specific Plan area.

CEQA Determination: The zone text amendments are not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4) as business license tax adjustments relate to a government funding mechanism that does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. Moreover, the zone text amendments are also not subject to CEQA pursuant to Sections 15301, 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Service and professional uses are already allowed through the listed zones, and allowing them to locate in existing facilities would have a negligible effect on the environment.

Hearing Date: The Planning Commission will hold a **Public Hearing on October 25, 2022 at 7 p.m.** in the Council Chamber, 18747 Clarkdale Ave., Artesia, CA 90701.

This Planning Commission meeting is in-person. The public has the option to attend the meeting in person to provide comments or to provide comment before the meeting.

Written public comments can be submitted via email to planning@cityofartesia.us or US Mail (submit early) to the Community Development Department, 18747 Clarkdale Ave., Artesia, CA 90701 provided that the comments are received prior to the time of the public hearing. Comments received prior to 12:00 noon on the day of the meeting will be posted as an addendum to the agenda. If submitting written comments, please note the agenda item by number or name.

Challenge to the action in court will be limited to issues raised at the public hearings or in written correspondence delivered to the Planning Commission at, or prior to, the close of the public hearing.

The project staff report will be available for review on the City's website (<https://www.cityofartesia.us/AgendaCenter>) on the Friday preceding the hearing. If you have any questions or have trouble accessing the staff report, please contact the Community Development Department at (562) 865-6262 or via email at Planning@cityofartesia.us.

Please publish on: 10/14/2022 and 10/21/2022