



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Ward and Members of the City Council

**THROUGH:** Richard Thompson, Interim City Manager *RT*

**FROM:** Laurie B. Jester, Acting Director of Community Development *LB*

**DATE:** April 6, 2010

**SUBJECT:** Consideration of Approval to Authorize the City Manager to Enter into a New Contract with Matrix Environmental to Prepare the Environmental Impact Report for the Manhattan Village Shopping Center Expansion

### RECOMMENDATION:

Staff recommends that the City Council **AUTHORIZE** the City Manger to enter into a new contract with Matrix Environmental to Prepare the Environmental Impact Report (EIR) for the Manhattan Village Shopping Center Expansion Project.

### FISCAL IMPLICATION:

There are no direct fiscal implications associated with the recommended action as the contract will be fully funded by RREEF, the project applicant. Planning staff will manage the contract, which has a soft cost. The Matrix Environmental contract is \$192,648.

### BACKGROUND:

On November 7, 2006 RREEF, the owners of the Center, submitted a Master Use Permit amendment and Variance, for building height, applications for an approximate 190,000 SF (123,700 SF net new) expansion of the Center. The applications require the preparation of an EIR in accordance with the requirements of the California Environmental Quality Act (CEQA) in order to evaluate the potential environmental impacts of the proposed project.

Over the past three years RREEF and their team of consultants have been meeting with the neighbors, tenants, and community leaders to introduce the proposed project and to make revisions to address their concerns. Since the project has undergone refinement, additional traffic and environmental work has been required. The contract with the original Environment consultant (PCR) was approved by City Council on December 5, 2006, and the first contract amendment was approved December 2, 2008. The project management and other key staff from PCR formed a new company, Matrix Environmental, and a new contract with Matrix is required to complete the Environmental Impact Report.

In working with the neighbors, tenants and other parties that have interest in the project over the years, the owners have modified the scope of the project a number of times. Currently the scope of the project includes the following:

RREEF is proposing improvements to the 44-acre Manhattan Village Shopping Center. The Project site includes an enclosed, main mall building and several freestanding buildings. The Shopping Center site currently includes approximately 420,250 square feet of retail uses, 65,700 square feet of restaurant uses, a 17,500 square foot cinema, 36,150 square feet within six banks, 11,500 square feet of office uses, and approximately 21,700 square feet of medical office uses for a total of approximately 572,800 square feet. When accounting for common areas, the buildings include approximately 614,200 square feet. There are currently 2,393 surface parking spaces on the site.

The Project includes a net increase of approximately 123,700 square feet of new retail and restaurant (190,000 square feet of new area and demolition of 66,300 square feet of existing retail, restaurant, and cinema) within an approximate 18 acre area within the site. Of the 190,000 square feet of new area, up to 25,900 square feet would be restaurant uses, while 164,100 square feet would be new retail uses. The Project also includes new parking decks and surface parking areas that would provide at least 4.1 parking spaces per 1,000 square feet, the same as the existing parking ratio. This excludes the 210 parking spaces currently provided in the off-site City parking lot leased by the Applicant for overflow parking.

In order to respond to the future needs and demands of tenants and customers the project provides for flexibility in land uses based on P.M. peak traffic rates. Specifically, retail, restaurant, cinema, office, medical office, and health club uses may be exchanged for each other based on standard approved P.M. peak hour trip conversion factors. However, the maximum amount of new restaurant square footage would not exceed about 23,000 and office uses about 57,800. In addition, there would be a maximum of approximately 140,000 net new square feet of building area. With this flexibility, the site would include up to 712,700 square feet area, and no new peak hour traffic impacts would occur.

#### **DISCUSSION:**

The EIR will include a traffic study and parking demand analysis as well as address other potential environmental impacts such as land use, noise, air quality, public services, utilities, hazards and geology. RREEF will deposit the full amount of the EIR and traffic study contracts with the City, and the City will continue to administer and manage the contracts. In accordance with CEQA the EIR is the City's document and as such the City is responsible to ensure its adequacy and accuracy. The applicant will have the ability to review and comment on the screen check EIR along with the City, however the City will make final decisions on the content. Noticed public hearings on the EIR, Master Use Permit and Variance before the Planning Commission and City Council will be required. It is anticipated that the applicant will also be submitting a Development Agreement application. An initial Scoping meetings for the EIR was held in February 2009, and the Draft EIR is anticipated to be released summer 2010.

#### **CONCLUSION:**

Staff recommends that the City Council **AUTHORIZE** the City Manger to enter into a standard new contract with Matrix Environmental to complete the preparation of the Environmental Impact Report (EIR) for the Manhattan Village Shopping Center Expansion. When the original contract with PCR was approved in 2006, Council authorized staff to approve contract amendments of up to 10% of the original approved contract amount in order to keep the review

process moving along in an expeditious manner if through the EIR process the need for additional work is identified. Staff would still request the same flexibility for the Matrix contract for up to 10% additional work. The applicant would be responsible for all costs associated with any expansion in the required scope of services.

Attachments:     A. Agreement and Exhibit A- Proposal to Continue Environmental Consulting Services for the Manhattan Village Shopping Center Improvement Project, dated February 4, 2010.

cc:     Charles Fancher, Fancher Partners  
       Ruth Tewalt,  
       Stephanie Eyestone-Jones, Matrix Environmental

## AGREEMENT

THIS AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_, 2010, by the CITY OF MANHATTAN BEACH, a municipal corporation, ("CITY"), and Matrix Environmental, an environmental planning consultant, ("CONTRACTOR").

## RECITALS

The following recitals are a substantive part of this Agreement:

1. City is desirous of obtaining services necessary to prepare an Environmental Impact Report for the Manhattan Village Shopping Center expansion;
2. CONTRACTOR is qualified by virtue of experience, training, education, and expertise to accomplish these services.

## AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This Agreement shall terminate upon successful completion of the services set forth in Exhibit "A", Proposal to Continue Environmental Consulting Services for the Manhattan Village Shopping Center Improvement Project, unless earlier terminated as provided below.

1.1 **Termination.** CITY and CONTRACTOR shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice. Upon receipt of a termination notice, CONTRACTOR shall:

- (1) promptly discontinue all services affected (unless the notice directs otherwise); and
- (2) promptly deliver all data, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONTRACTOR in performing the Agreement to CITY, whether completed or in progress. CONTRACTOR shall be entitled to reasonable compensation for the services it performs up to the date of termination.

EXHIBIT A  
CCMF. 4/6/10

2. **Services to be Provided.** The services to be performed by CONTRACTOR shall be those set forth in Exhibit "A", Proposal to Continue Environmental Consulting Services for the Manhattan Village Shopping Center Improvement Project, which is attached hereto and incorporated herein by this reference.

3. **Compensation.** CONTRACTOR shall be compensated as follows:

3.1 **Amount.** Compensation under this Agreement shall not exceed One-Hundred and Ninety-two Thousand, Six Hundred and Forty-Eight Dollars (\$192,648) as set forth in Attachment A of Exhibit "A", which is attached hereto and incorporated herein by this reference.

3.2 **Payment.** For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, written authorization by CITY will be required, payment shall be based on hourly rates in Exhibit "A".

3.3 **Expenses.** CONTRACTOR shall not be entitled to any additional compensation for expenses.

3.4 **Funding.** CONTRACTOR acknowledges that CITY is funding this subcontract with money received from the project applicant (RREEF). If such funding terminates, the CITY shall have no obligation to continue payments to CONTRACTOR. No City funds are available to fund this subcontract.

4. **Professional Standards.** CONTRACTOR shall maintain or exceed the level of competency presently maintained by other similar practitioners in the State of California, for professional and technical soundness, accuracy and adequacy of all work, advice, and materials furnished under this Agreement.

5. **Time of Performance.** CONTRACTOR shall complete all services required hereunder as and when directed by CITY as set forth in Exhibit "A". However, CITY in its sole discretion, may extend the time for performance of any service.

6. **Employees and Subcontractors.** CONTRACTOR may, at CONTRACTOR'S sole cost and expense, employ such other person(s) as may, in the opinion of CONTRACTOR, be needed to comply with the terms of this Agreement, if such person(s) possess(es) the necessary qualifications to perform such services. If such person(s) is/are employed to perform a portion of the scope of work, the engagement of such person(s) shall be subject to the prior approval of the CITY.

## **7. Insurance Requirements.**

7.1 Commencement of Work. CONTRACTOR shall not commence work under this Agreement until it has obtained CITY approved insurance. Before beginning work hereunder, during the entire period of this Agreement, for any extensions hereto, and for periods after the end of this Agreement as indicated below, CONTRACTOR must have and maintain in place, all of the insurance coverages required in this Section 7. CONTRACTOR'S insurance shall comply with all items specified by this Agreement. Any subcontractors shall be subject to all of the requirements of this Section 7 and CONTRACTOR shall be responsible to obtain evidence of insurance from each subcontractor and provide it to CITY before the subcontractor commences work.

All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers authorized to do business in the State of California. Insurers shall have a current A.M. Best's rating of not less than A-:VII unless otherwise approved by CITY.

7.2 Coverages, Limits and Policy Requirements. CONTRACTOR shall maintain the types of coverages and limits indicated below:

(1) **COMMERCIAL GENERAL LIABILITY INSURANCE** - a policy for occurrence coverage, including all coverages provided by and to the extent afforded by Insurance Services Office Form CG 0001 ed. 11/88 or 11/85, with no special limitations affecting CITY. The limit for all coverages under this policy shall be no less than one million dollars (\$1,000,000.00) per occurrence. CITY, its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 1 (General Liability) must be executed by the applicable insurance underwriters.

(2) **COMMERCIAL AUTO LIABILITY INSURANCE** - a policy including all coverages provided by and to the extent afforded by Insurance Services Office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting the CITY. The limit for

bodily injury and property damage liability shall be no less than one million dollars (\$1,000,000) per accident. CITY, its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 2 (Auto) must be executed by the applicable insurance underwriters.

(3) **WORKERS' COMPENSATION INSURANCE** - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. The minimum coverage limits for said insurance shall be no less than one million dollars (\$1,000,000) per claim. The policy shall contain, or be endorsed to include, a waiver of subrogation in favor of CITY.

(4) **PROFESSIONAL ERRORS & OMISSIONS** - a policy with minimum limits of five million dollars (\$5,000,000) per claim and aggregate. This policy shall be issued by an insurance company which is qualified to do business in the State of California and contain a clause that the policy may not be canceled until thirty (30) days written notice of cancellation is mailed to CITY.

**7.3 Additional Requirements.** The procuring of such required policies of insurance shall not be construed to limit CONTRACTOR'S liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement. There shall be no recourse against CITY for payment of premiums or other amounts with respect thereto. CITY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable insurance policies with CITY incorporating such changes within sixty (60) days of receipt of such notice, CONTRACTOR shall be deemed in default hereunder.

Any deductibles or self-insured retentions must be declared to and approved by CITY. Any deductible exceeding an amount acceptable to CITY shall be subject to the following changes:

- (1) either the insurer shall eliminate, or reduce, such deductibles or self-insured retentions with respect to CITY and its officials,

employees and agents (with additional premium, if any, to be paid by CONTRACTOR) ; or

- (2) CONTRACTOR shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration, and defense expenses.

7.4 Verification of Compliance. CONTRACTOR shall furnish CITY with original endorsements effecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Agreement, CONTRACTOR shall deliver to CITY a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefore, or accompanied by other proof of payment satisfactory to CITY.

8. Non-Liability of Officials and Employees of the CITY. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. Non-Discrimination. CONTRACTOR covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. Independent Contractor. It is agreed that CONTRACTOR shall act and be an independent contractor and not an agent or employee of CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.

11. Compliance with Law. CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

12. Ownership of Work Product. All documents or other information created, developed or received by CONTRACTOR shall, for purposes of copyright law, be deemed works made for hire for CITY by CONTRACTOR as CITY'S employee(s) for hire and shall be the sole property of CITY. CONTRACTOR shall provide CITY with copies of these items upon demand and in any event, upon termination or expiration of the term of this Agreement.

13. Conflict of Interest and Reporting. CONTRACTOR shall at all times avoid conflict of interest, or appearance of conflict of interest, in performance of this Agreement.

14. Notices. All notices shall be personally delivered or mailed to the below listed addresses. These addresses shall be used for delivery of service of process.



a. Address of CONTRACTOR is as follows:

Matrix Environmental  
6701 Center Drive West, Suite 900  
Los Angeles, CA 90045

b. Address of CITY is as follows:

Director of Community Development  
City of Manhattan Beach  
1400 Highland Ave  
Manhattan Beach, CA 90266

(with a copy to):

City Attorney  
City of Manhattan Beach  
1400 Highland Ave  
Manhattan Beach, CA 90266

15. **Contractor's Proposal.** This Agreement shall include CONTRACTOR'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Licenses, Permits, and Fees.** CONTRACTOR shall obtain a Manhattan Beach Business License, all permits, and licenses as may be required by this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that:

- (1) it has investigated the work to be performed;
- (2) it has investigated the site of the work and is aware of all conditions there;  
and
- (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONTRACTOR discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement, or any portion, shall be assigned by CONTRACTOR without prior written consent of CITY.

20. **Key Person.** During the term of this Agreement CONTRACTOR shall provide the services of Stephanie Eyestone-Jones. Any change or substitution for the key person shall require prior written approval of CITY.

21. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

22. **Indemnification.** CONTRACTOR agrees to indemnify, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, attorneys and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees arising out of, or in any way connected with performance of, the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractor(s) hired by CONTRACTOR. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

23. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any other agreements, oral or written. No promises, other than those included in this Agreement, shall be valid. This Agreement may be modified only by a written agreement executed by CITY and CONTRACTOR.

24. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the appropriate branch of the Los Angeles County Municipal or Superior Court.

25. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.

26. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

27. **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that representations by any party not embodied herein, and any other agreements, statements, or promises concerning the subject matter of this Agreement, not contained in this Agreement, shall not be valid and binding. Any modification of this Agreement will be effective only if it is in writing signed by the parties. Any issue with respect to the interpretation or construction of this Agreement are to be resolved without resorting to the presumption that ambiguities should be construed against the drafter.

28. **Attorneys' Fees.** In the event that legal action is necessary to enforce the provisions of the Agreement, or to declare the rights of the parties hereunder, the parties agree that the prevailing party in the legal action shall be entitled to recover attorneys' fees and court costs from the opposing party.

**IN WITNESS THEREOF**, the parties hereto have executed this Agreement on the day and year first shown above.

CONTRACTOR

By

CITY OF MANHATTAN BEACH

By

ATTEST:

City Clerk

APPROVED AS TO FORM:

  
City Attorney



February 4, 2010

Laurie Jester  
Planning Manager  
Community Development Department  
**CITY OF MANHATTAN BEACH**  
1400 Highland Avenue  
Manhattan Beach, California 90266

**RE: PROPOSAL TO CONTINUE ENVIRONMENTAL CONSULTING SERVICES FOR THE  
MANHATTAN VILLAGE SHOPPING CENTER IMPROVEMENT PROJECT**

Dear Laurie:

Matrix Environmental is pleased to submit this proposal for our staff to continue environmental consulting services for the Manhattan Village Shopping Center Improvement Project. A brief overview of Matrix Environmental, a summary of the proposed project, a scope of work to complete the environmental review process as set forth by the California Environmental Quality Act (CEQA), and estimated fees and direct costs are included in this letter.

#### **OVERVIEW OF MATRIX ENVIRONMENTAL**

Matrix Environmental is a specialized environmental consulting firm led by Stephanie Eyestone-Jones and Bruce Lackow, recognized leaders in the environmental consulting field who together have over 45 years of experience in preparing legally sound CEQA documentation for the most high-profile projects in southern California. Matrix Environmental was formed with the specific intent of providing a service-oriented environmental firm with projects led by experienced senior managers who possess the unsurpassed ability to efficiently create strategic and solution-oriented environmental documents. Our accomplishments include the successful completion of environmental documents for clients such as Westfield LLC, NBC/Universal, The Boeing Company, the University of Southern California, The J. Paul Getty Trust, Anschutz Entertainment Group, The Related Companies, and Playa Capital Company.

#### **PROJECT SUMMARY**

RREEF America REIT II Corporation (the Applicant) is proposing improvements to the Manhattan Village Shopping Center (Shopping Center) located at 3200-3600 South Sepulveda Boulevard in the City of Manhattan Beach (City). The approximately 44-acre Project site (hereafter referred to as the Shopping Center site) includes an enclosed, main mall building and several freestanding buildings. The Shopping Center site currently includes approximately 572,837 square feet of gross leasable area (GLA) within the main mall buildings and freestanding buildings. There are currently 2,393 surface parking

**EXHIBIT A**

CC Mtg. 4/6/10

6701 Center Drive West, Suite 900, Los Angeles, California 90045  
Phone: (424) 207-5333 Fax: (424) 207-5349



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spaces on the site. The Manhattan Village Shopping Center Improvement Project (Proposed Project) would involve a net increase of approximately 123,672 square feet of new GLA (approximately 190,000 square feet of new GLA and demolition of approximately 66,328 of existing retail, restaurant, and cinema GLA) within an approximately 18.4 acre development area within the Shopping Center site (referred to as the Development Area). Of the 190,000 square feet of new GLA, up to approximately 25,894 square feet would be used for restaurant uses. The proposed Project would also include the addition of approximately 463 to 749 net new parking spaces to be provided in surface parking areas and within new parking decks. In addition, as part of the project an equivalency program has recently been proposed under which a certain amount of retail uses may be exchanged for other uses including office, medical office, health club and cinema uses as long as no increases in peak hour traffic would result. Under this equivalency program, a total net increase of up to approximately 139,000 square feet of GLA could be developed.

**SCOPE OF WORK**

Matrix Environmental will complete the CEQA environmental review process for the project through preparation of an Environmental Impact Report (EIR), with the City of Manhattan Beach acting as the Lead Agency. The environmental process for the project has already commenced with the preparation of a Project Description and Initial Study as well as the distribution of the Notice of Preparation/Notice of Public Scoping Meeting. The table below lists the tasks required to complete the environmental review process and is followed by a description of each of these tasks.

<b>Task</b>	<b>Task Description</b>
1	Revise and Submit Project Description and Initial Study/Prepare Notice of Preparation/Public Scoping Meeting
2	Complete Screencheck Draft EIR
3	City Revisions/Prepare and Distribute Draft EIR for Public Review
4	Prepare Screencheck Final EIR
5	City Revisions/Prepare and Distribute Final EIR for Public Review
6	Meetings and Management Coordination

**Task 1: Revise and Submit Project Description and Initial Study/Prepare Notice of Preparation/Public Scoping Meeting**

The Project Description and Initial Study for the project were drafted and submitted for review in the fall of 2008. Based on a meeting in December 2008, additional revisions



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to these documents were made and the documents were submitted to the City for review. Upon receipt of a final set of comments, Matrix Environmental made the final revisions to these documents.

Following City approval of the Initial Study, Matrix Environmental prepared a Notice of Preparation (NOP)/Notice of Public Scoping Meeting for the project. After City comments on the NOP/Notice of Public Scoping Meeting were incorporated, the NOP/Notice of Public Scoping Meeting was distributed to all to owners and occupants on the radius map list as well as to a list of responsible agencies, and individuals and organizations provided by the City. Matrix assisted the City in compiling the NOP mailing list and with mailing of the NOP. Matrix Environmental also ensured that the NOP was filed at the State Clearinghouse and the County Clerk.

As part of Task 1, Matrix Environmental also assisted in the facilitation of a public scoping meeting with the City.

### **Task 2: Complete Screencheck Draft EIR**

Matrix Environmental will complete a Screencheck Draft EIR for City review. The Draft EIR will address the scope of issues identified in the Initial Study, as well as relevant NOP comments. The Draft EIR will include all statutory sections required by CEQA, including a summary, project description, environmental setting, and impact analyses for each environmental issue to be addressed. In addition, the analysis for each environmental issue addressed will include mitigation measures, where necessary and feasible, and an analysis of cumulative effects. The EIR will also address alternatives, areas of controversy, effects found not to be significant, growth inducement, significant irreversible environmental effects, significant and unavoidable environmental effects, references, and organizations and persons consulted. Matrix Environmental assumes that up to four alternatives, including a No Project Alternative as required under CEQA, will be addressed in the Draft EIR.

Matrix Environmental will work with the City to create a comprehensive set of project objectives within the project description and to identify alternatives to the project. Project objectives play a key role in the CEQA process as they are the basis for considering or rejecting alternatives to the proposed project. Alternatives to the project are of primary importance in an EIR as they are required to be included under CEQA as a way to reduce or eliminate the significant impacts of a project and are also carefully reviewed and considered by the public and decision-makers.



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Drawing on our substantial experience in preparing EIRs for projects in Los Angeles County, Matrix Environmental will address the following issues in the Draft EIR:

- Aesthetics;
- Air Quality;
- Hazards and Hazardous Materials;
- Hydrology and Water Quality;
- Land Use;
- Noise;
- Police Services and Fire Protection;
- Traffic and Parking; and
- Utilities (Water, Wastewater, and Drainage).

An overview of each of these issues to be addressed in the Draft EIR is provided below.

#### *Aesthetics*

The analysis of aesthetics will include an evaluation of potential impacts associated with aesthetic resources, views, light and glare, and shade and shadow. The aesthetics analysis will be illustrated through the use of photographs and graphic illustrations provided by other project team members. The analysis of aesthetic impacts will incorporate the following: (1) a description of the existing visual quality of the site and surrounding areas (including aesthetic resources, light and glare conditions and shade and shadow conditions) and any valued focal or panoramic views of aesthetic resources; (2) a description of relevant regulations, policies and guidelines governing views and aesthetic considerations; and (3) an evaluation of impacts with an emphasis on the potential for the project to introduce features that would detract from the aesthetic quality of the area or conflict with applicable design guidelines, remove features that contribute to the aesthetic character of the area, obstruct or diminish valued views, shade sensitive uses, or create substantial sources of light or glare. This analysis will include a general discussion of the tree species present on-site as well as the aesthetic implications of tree removal and replacement.

The analysis of views will focus on views of valued aesthetic resources that may be obstructed. The analysis will address views from public and private locations separately, since based on public policy and recent case law private views are provided little regulatory



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protection. However, it will be important to include an analysis of view impacts from representative private locations.

As indicated above, the analysis of aesthetic impacts will also include an analysis of potential shading impacts attributable to the project. Matrix Environmental will evaluate the potential for development to cast shadows onto surrounding shadow sensitive uses. The following steps will be taken to complete the shading analysis: (1) identify nearby shadow sensitive uses; (2) describe existing buildings and their shadow effects in the site vicinity; and (3) review the project's shadow patterns during the Summer Solstice, Winter Solstice Spring Equinox, and Fall Equinox. Matrix Environmental will coordinate with the project architect to confirm assumptions and ensure accuracy regarding the proposed building envelope and building placement.

#### *Air Quality*

The air quality analysis will be led by Mark Hagmann, Director of Air Quality with Matrix. The analysis will be prepared pursuant to the standards and guidelines set forth by the California Air Resources Board (CARB) and the South Coast Air Quality Management District (SCAQMD). The air quality assessment for the project will consist of the following discussions and analyses:

- **Analysis of Construction Air Impacts.** Matrix will estimate construction emissions of criteria pollutants using tools such as URBEMIS or SCAQMD construction emission templates. The emission estimates will focus on identifying the peak mass emissions per day in order to compare to SCAQMD CEQA mass daily significance thresholds. Matrix will also evaluate potential localized air quality impacts for comparison to criteria pollutant air concentration thresholds. Matrix will use the mass Localized Significance Thresholds (LSTs) to evaluate air concentration impacts. It is assumed that air dispersion modeling will not be necessary.
- **Analysis of Operations Air Impacts.** Matrix will estimate operational emissions of criteria pollutants air impacts. Matrix will use general assumptions for operations of similar type and sized developments and tools such as URBEMIS or general emission factors. The emission estimates will focus on identifying the peak mass emissions per day in order to compare to SCAQMD CEQA mass daily significance thresholds. Matrix will also evaluate potential localized air quality impacts for comparison to criteria pollutant air concentration thresholds. Matrix will use the same approach described for construction to evaluate operational impacts.





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- **CO Hotspots Analysis.** Matrix will evaluate operational impacts for potential CO hotspots at up to three off-site intersections. Matrix will conduct the CO hotspots analysis using the California Line Source Dispersion Model (CALINE-4) or the Bay Area Air Quality Management District (BAAQMD) screening approach. The SCAQMD has indicated that the use of the BAAQMD screening approach is acceptable now that the South Coast Air Basin has been classified as a CO attainment area.
- **Analysis of Greenhouse Gas Emissions.** The approach to the greenhouse gas emissions analysis will be based on the most recent guidance provided by the Office of Planning and Research, the SQAQMD and the CARB. Although a specific approach to evaluating GHG emissions has yet to be adopted by these entities, based on the guidance available, the analysis will specifically quantify the emission reductions of the project and its sustainability features as compared to development of the project under a business-as-usual (BAU) scenario. GHG emissions from indirect sources (e.g., energy usage<sup>1</sup>, water usage<sup>2</sup>, and street lighting) will be evaluated. This quantitative analysis of emission reductions is necessitated by recent agency guidance and thus, was not provided in the previous scope of work. It should be noted that as the standards and requirements for the BAU analysis evolve, the effort required to complete this analysis may also change.
- **Consistency with Regional AQMP.** The air quality analysis will evaluate the project's consistency with the SCAQMD's 2007 AQMP in accordance with the procedures set forth by the SCAQMD.

#### *Hazards and Hazardous Materials*

Phase I Environmental Site Assessments (ESAs) prepared for the proposed project site identified previous recognized environmental conditions (RECs) within or in the vicinity of the project site. In addition, properties to the north of the project site were previously identified as RECs. While subsequent remediation has occurred for these sites, it is recommended that the issue of hazards and hazardous materials be addressed in the EIR. Therefore, Matrix Environmental will prepare a hazards/hazardous materials analysis in the EIR that will summarize the findings of the Phase I ESAs and associated documents prepared by others for the project site.

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<sup>1</sup> Assumed to include electricity and natural gas usage from buildings only.

<sup>2</sup> GHG Emissions from water usage will be assumed to be a fixed percentage.



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### *Hydrology and Water Quality*

An analysis of potential hydrology and water quality impacts associated with the project will be included in the scope of the Draft EIR. This analysis will be based on a hydrology study to be prepared by the Applicant's civil engineer under separate contract. This study will be reviewed by the City and Matrix. The analysis in the Draft EIR will address how the project's construction activities and operations will affect the quantity and quality of stormwater runoff and any associated impacts on the stormwater system, and the extent to which site construction may increase or mobilize potential oil contaminants on- and off-site. In addition, this section of the Draft EIR will provide an overview of the regulatory requirements regarding water quality and, with assistance from another consultant, will demonstrate how the project will comply with such regulatory requirements (e.g., through a list of possible Best Management Practices). Any interim and/or permanent drainage facilities and detention facilities proposed as part of the project will also be described.

### *Land Use*

The majority of the proposed project site is currently designated under the Manhattan Beach General Plan for Manhattan Village Commercial uses and governed by a Master Use Permit Resolution PC 01-27 adopted in 2001 and Master Sign Program Resolution PC 02-07 adopted in 2002, while the Fry's Electronics parcel is designated for General Commercial uses by the Manhattan Beach General Plan and governed by Conditional Use Permit Resolution PC 91-1 adopted in 1991. The corresponding zoning designations for the proposed project site are Community Commercial and General Commercial for the majority of the site and the Fry's Electronics parcel, respectively.

The analysis of land use within the Draft EIR will evaluate the project's consistency with the City of Manhattan Beach General Plan and the designated zoning as well as the potential for the project to disrupt or divide the community. Regional plans of interest and merit, such as SCAG's Regional Comprehensive Plan and Guide, will also be addressed and cross references will be made to other sections of the document that address project consistency with SCAQMD's Air Quality Management Plan. The analysis of the potential for the project to disrupt or divide the community will examine existing land use patterns within the project vicinity and how the proposed uses might affect such existing land use patterns.



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### *Noise*

The technical analysis regarding noise will be completed by Acoustical Engineering Services (AES) under contract with Matrix. AES staff has prepared the noise analysis that has been completed to date for the project. The noise analysis will include a map of noise sensitive land uses, and a description of existing sources of noise, and features affecting noise transference near the project site and along approach roadways. The noise analysis will present the results of a noise monitoring program that will establish ambient noise levels in proximity to potentially affected noise sensitive land uses. The EIR noise analysis will also identify and describe relevant local plans, regulations, ordinances, criteria and guidelines associated with noise. Future construction noise levels will be predicted and potential impacts will be evaluated utilizing information on the type of construction equipment, published time usage factors, the amount of activity, and the distance of sensitive land uses from the project site. The analysis of construction noise will be based on the construction time frames and equipment usage assumptions. Matrix Environmental will work with the project team to develop a set of reasonable working assumptions for this particular analysis.

Operational noise impacts from vehicular traffic and other project noise sources (i.e., roof mounted HVAC, truck loading dock operations, trash compactors, parking facilities, outdoor activity areas, etc.) will be evaluated by establishing the incremental change from baseline ambient noise levels to project operational levels and then comparing the predicted noise levels with identified thresholds of significance. Vehicular noise impacts will be assessed based on data from the Traffic Study using models that incorporate Federal Highway Administration (FHWA) traffic noise prediction model (FHWARD-77-108), methodologies and criteria. A more qualitative analysis of vibration will also be provided. Mitigation measures will be identified on an as-needed basis.

### *Police Services and Fire Protection*

The analysis with regard to fire protection services will include the following: (1) the location, response times, staffing, and equipment levels for the fire stations that serve the project site; (2) an identification of existing constraints to service and relevant plans or proposals for new fire stations or increases in staffing and equipment, and; (3) an evaluation of the project's conformance with regulations and standards (e.g., fire hydrant flow, and emergency response times). Additionally, in consultation with the Manhattan Beach Fire Department, the analysis will assess the increase in demand for fire protection and the Department's ability to serve the project and maintain adequate levels of service.



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Matrix Environmental's evaluation of potential project impacts on police services will start with the location, facilities, staffing, equipment levels and response times for the police station that serves the project site. Any existing constraints to police services in the project area will be identified, based on a consultation with the Manhattan Beach Police Department. The analysis will assess the increase in demand for police services and the Department's ability to serve the project area and maintain adequate levels of service.

#### *Traffic and Parking*

Matrix Environmental will document the potential for the proposed project to result in transportation, circulation and parking impacts based on the analyses and findings to be contained in a traffic study prepared under separate contract by Gibson Transportation/Fehr and Peers. The traffic, circulation and parking section of the Draft EIR will summarize the traffic study and will focus on the following: (1) an evaluation of intersection impacts, freeway segment impacts, CMP impacts, transit impacts, and residential street segment impacts; (2) an analysis of the adequacy of available parking based on Manhattan Beach Municipal Code requirements and a demand analysis; and (3) an assessment of site access and related circulation issues (e.g., safety issues and hazards related to proposed circulation improvements including vehicular and pedestrian access, and parking). Matrix Environmental also expects that the traffic study will include an analysis of construction traffic, access and parking impacts that will be incorporated into the Draft EIR.

#### *Utilities (Water, Wastewater and Drainage)*

The analysis of project impacts on water supply will include the following steps: (1) discuss the current regulatory framework related to water supply; (2) based on information provided by the project's civil engineer and prepared under separate contract, describe the local water distribution system and identify any potential limitations regarding the delivery of water systems; (3) calculate the project's total water demand in gallons per day and gallons per year; and (4) working with data provided by the City, describe the adequacy of the domestic water supply to meet the project's demand.

The EIR section regarding wastewater will identify and describe existing wastewater infrastructure, current and forecasted wastewater treatment capacity, and any constraints to treatment and conveyance systems that would affect the project, utilizing data from the project's civil engineer. The analysis will then calculate the wastewater to be generated by the project and evaluate the ability of existing and proposed infrastructure to accommodate the project.



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*Additional Revisions to EIR Sections to Account for Changes in the Project Description and the Introduction of an Equivalency Program*

Throughout the past year, Matrix has worked with the Applicant to modify the Project Description. As part of these efforts, several iterations of the Project Description were completed. In addition, several of the EIR sections have also be modified over the past year to reflect the changes to the Project Description. Matrix will update the Project Description and EIR analyses as appropriate to reflect the most recent approach to the Project Description and to reflect changed conditions. As part of this update, Matrix will work with the Planning Department to obtain updated information from other City departments. In addition, the Project Description and the EIR sections will also be revised to account for an equivalency program recently discussed. Under this equivalency program, a portion of the proposed square footage may be exchanged for other land uses currently permitted by the existing master use permit (MUP) for the Project site based on factors that result in equivalent peak hour trips.

**Task 3: City Revisions/Prepare and Distribute Draft EIR for Public Review**

Based on our experience, Matrix Environmental anticipates that two rounds of City comments will need to be incorporated before sending a proof Draft EIR copy to the City. Upon approval of the proof copy by the City, Matrix Environmental will produce the Draft EIR and prepare a Notice of Completion and a Notice of Availability. Matrix will be responsible for the distribution of the Draft EIR to the City's list of agencies and organizations agreed to by the City. That list will include the State Clearinghouse, the County Clerk, Responsible Agencies, local libraries and several of the nearby homeowners associations. Matrix Environmental will also send copies of the Notice of Availability to all of the names within the owners and occupant's lists that accompany the radius map, individuals who commented on the NOP or attended the scoping meeting, as well as other individuals and agencies from a list provided by the City. Matrix Environmental will also prepare files for posting the Draft EIR on the City's webpage and produce CDs of the Draft EIR for City distribution.

**Task 4: Prepare Screencheck Final EIR**

At the close of the public review period for the Draft EIR, Matrix Environmental will coordinate with the City to obtain all public comments. Matrix Environmental will review the comments and meet with the City to discuss issues raised and establish an approach for responding to comments. After consultation with the City regarding the issues raised, Matrix Environmental will prepare a Screencheck Final EIR. The Screencheck Final EIR will include: (1) a summary of the project and its associated impacts; (2) corrections and



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additions to the Draft EIR; (3) a list of persons, organizations, and public agencies commenting on the Draft EIR; (4) comments submitted regarding the Draft EIR and responses prepared to address those comments; (5) copies of the Draft EIR comment letters; and (6) a Mitigation Monitoring and Reporting Program. In preparing responses to comments, Matrix Environmental will require assistance from other project members, particularly for those comments that raise issues regarding topics addressed by others in the Draft EIR (e.g., traffic, civil engineering issues, etc). In addition, it is anticipated that Matrix Environmental will need assistance from the City, the Applicant and the project architect with regard to comments that are more political in nature or that are specific to the design of the project. As discussed in more detail below, Matrix Environmental can only speculate as to the extent of public comment regarding the Draft EIR. Thus, we have assumed approximately 110 hours of staff time to complete the first screencheck Final EIR will be necessary. This number of hours is based on the assumption that a moderate level of public comments will be submitted to the City requiring response.

#### **Task 5: City Revisions/Prepare and Distribute Final EIR for Public Review**

Matrix Environmental anticipates that the City will review the Screencheck Final EIR twice before signing off on its contents. Once the City approves the Final EIR, Matrix Environmental will assist the City with distribution of the Final EIR to the appropriate agencies and organizations, including those agencies that commented on the Draft EIR and to local libraries. Matrix Environmental will also prepare a Notice of Completion to be sent along with copies of the Final EIR to the State Clearinghouse and County Clerk. As with the Draft EIR, Matrix Environmental will prepare electronic files for posting of the document to the City's website and will prepare CDs of the Draft EIR for distribution by the City. Matrix Environmental will also prepare and distribute a Notification of Final Environmental Impact Report Review Locations to a list agreed to by the City. This notice will state the libraries where the Final EIR is available for review and the address for review of the Final EIR on the City's website. Ten days after the Final EIR is sent to commenting agencies, public hearings regarding the project can commence.

Within five days of project approval, Matrix Environmental will file the Notice of Determination with the County Clerk. This notice will start a 30-day statute of limitations with regard to approval of the project and certification of the Final EIR.

#### **Task 6: Meetings and Management Coordination**

The precise number of meetings required to complete the environmental review process for the project cannot be determined at this time. Matrix Environmental has assumed that bi-weekly conference calls will occur. In addition, throughout the course of



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the project, coordination with project team members either by phone or in person will be required for technical inputs to the EIR and to address questions or comments regarding the EIR. In particular, throughout the past year, a substantial amount of time has been spent by Matrix in coordinating and reviewing technical reports and discussing the Project Description. Meetings and coordination with public agencies will also be necessary throughout the process, and particularly during preparation of the Draft EIR. In addition, Matrix Environmental will attend hearings for the project following preparation of the Final EIR.

#### **PROPOSED FEES**

Based on our understanding of the project and the scope of work provided above, our estimated fee to complete the EIR process includes Matrix labor totaling \$174,148 and direct expenses totaling \$10,000. In addition, AES will complete the noise analysis that was previously underway by AES staff for \$8,500. As previously mentioned, environmental consulting services for the proposed project have already begun. Thus, these proposed fees represent the balance of services needed to complete the environmental review process. The fees for direct expenses assume that the majority of the copies of the Draft EIR will be provided in a CD format. Costs associated with consultants preparing the traffic, hydrology/surface water quality and utilities technical inputs are not included in this fee proposal. The breakdown of fees by task is provided in the table below.

Should the need arise for additional professional services beyond those set forth in the scope of services due to changes in the review process or the regulatory environment, Matrix Environmental will request written authorization from the City of Manhattan Beach prior to the initiation of the additional services. Factors triggering an increase in the scope of services and a revised fee may include, but are not necessarily limited to: modifications in the project after the Project Description has been drafted and EIR analysis has begun; analysis of technical issues other than those identified in this scope of work; revisions due to changes in the technical reports prepared by others; more City or project team comments or meetings than contemplated; more public comments than anticipated; production of additional documents; or significant delays in the project beyond the control of Matrix Environmental.



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**Summary of Proposed Fees for Completion of  
 the Manhattan Village Shopping Center Improvement Project EIR**

<b>Task</b>	<b>Task Description</b>	<b>Fees</b>
1	Revise and Submit Project Description and Initial Study/Prepare Notice of Preparation/Assist with Public Scoping Meeting	\$6,848
2	Complete Screencheck Draft EIR Air Quality Analysis	\$74,000 \$23,400
3	City Revisions/Prepare and Distribute Draft EIR for Public Review	\$16,500 <sup>a</sup>
4	Prepare Screencheck Final EIR	\$17,000 <sup>a</sup>
5	City Revisions/Prepare and Distribute Final EIR for Public Review	\$12,400 <sup>a</sup>
6	Meetings and Management Coordination	\$24,000 <sup>a</sup>
<b>GRAND TOTAL MATRIX LABOR</b>		<b>\$174,148</b>
<b>Estimated Remaining Direct Expenses</b>		<b>\$10,000 <sup>b</sup></b>
<i>Subconsultants</i> Complete Noise Analysis (AES)		\$8,500
<b>Subconsultants Total</b>		<b>\$8,500</b>

<sup>a</sup> These values are allowances; actual costs could be higher or lower. Should actual costs be lower, only actual costs will be billed. Should circumstances cause actual cost to exceed budgets for the line items, additional authorization will be sought prior to exceeding approved budgets.

<sup>b</sup> This value is an estimate and will generally be determined by the number of copies of the Draft and Final EIR that will be required. Twenty-five copies of the Draft and Final EIR have been assumed in this value.

Matrix Environmental cannot precisely estimate the level of effort and associated fees that will be required to incorporate revisions to the various iterations of the Draft and Final EIR. In these instances, we have proposed allowances for these tasks. In the event less effort is required than provided for with these allowances, Matrix Environmental will not bill the balances. Similarly, if these allowances are not sufficient to complete the Screencheck Draft EIR or Final EIR or to incorporate revisions to the Draft EIR or Final EIR, Matrix Environmental will request additional authorization from the City of Manhattan Beach.





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Fees and charges will be billed on a monthly basis in accordance with the schedule of Matrix Environmental 2009 Billing Rates, presented in Attachment A. Costs associated with subconsultants (e.g., hydrology/water quality, traffic, and utilities) are not included in this fee proposal.

We truly appreciate our work with the City of Manhattan Beach and look forward to our continued work with you. Should you have any questions or require additional information please contact me at (424) 207-5333.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie Eyestone-Jones", written in a cursive style.

Stephanie Eyestone-Jones  
**MATRIX ENVIRONMENTAL**  
President



**ATTACHMENT A  
MATRIX ENVIRONMENTAL 2009 BILLING RATES**

***PROFESSIONAL TIME***

President.....	\$205.00
Principal Planner.....	\$150.00
Senior Planner.....	\$120.00
Planner.....	\$105.00
Associate Planner.....	\$95.00
Assistant Planner.....	\$85.00
Intern/Research Assistant.....	\$55.00
Graphics/GIS Specialist.....	\$90.00
Publications Specialist.....	\$80.00

**DIRECT EXPENSES**

Direct expenses will be billed at actual cost. Direct expenses will include, but will not be limited to the following:

- Subcontractor fees.
- Printing costs.
- Postage, delivery and communication costs.
- Mileage based on the most recent rate set forth by the Internal Revenue Service.

**BILLING TERMS**

- Invoices will be sent to the client on a monthly basis with payment expected within 30 days from receipt of invoice.
- Matrix Environmental will adjust its billing rates at the beginning of each subsequent year. However, the rates provided above will not increase by more than 5 percent each calendar year.