



# Staff Report

## City of Manhattan Beach

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

**THROUGH:** David N. Carmany, City Manager

**FROM:** Richard Thompson, Director of Community Development

**DATE:** September 20, 2011

**SUBJECT:** Consideration of an Amendment to an Existing Contract with Matrix Environmental to Prepare the Environmental Impact Report for the Manhattan Village Shopping Center Expansion

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### **RECOMMENDATION:**

Staff recommends that the City Council approve an amendment with Matrix Environmental to prepare the Environmental Impact Report for the Manhattan Village Shopping Center Expansion Project and authorize the Director of Community Development to approve amendments to the agreement in amount not to exceed 10% of the total contract amount.

### **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 continue to manage the contract. The Matrix Environmental contract amendment, including the subcontract with Gibson Transportation, is \$75,000.

### **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 square foot (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 five years RREEF and their team of consultants have been meeting with the neighbors, tenants, staff, and community leaders to review the proposed project and to make revisions to address their concerns, as well as the needs of a changing consumer market. Since the project has undergone refinement a number of times, additional work is needed to address a number of items including new case law, an increase in the restaurant square footage, the adoption of new regional plans, and additional meetings and coordination, all which require additional traffic and environmental work.

The contract with the original Environment consultant (PCR) and traffic consultant 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 was approved by the City Council on April 6, 2010. The traffic consultant project manager has also undergone firm changes and contract amendments were approved by City Council on January 6, 2009 and July 6, 2010. The project management team of Gibson Transportation Consulting is now under subcontract to Matrix to provide continuity and better overall project coordination and management. The Amendment is required in order 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 614,150 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, for a total of approximately 696,500 square feet.

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, through a traffic "equivalency program". 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 23,300 and office uses about 57,800. In addition, there would be a maximum of approximately 139,800 net new square feet of building area. With this flexibility, the site would include up to 712,700 square feet area.

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.

**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 Amendment contract 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 Winter 2011.

**CONCLUSION:**

Staff recommends that the City Council approve an Amendment 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 Matrix was approved in 2010, 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 that that same flexibility continue. The applicant would be responsible for all costs associated with any expansion in the required scope of services.

Attachments: Agreement and Exhibit A- Proposed Amendment Regarding the Draft EIR for the Manhattan Village Shopping Center Improvement Project, dated July 8, 2011.

cc: Charles Fancher, Fancher Partners  
Ruth Tewalt,  
Stephanie Eyestone-Jones, Matrix Environmental  
Pat Gibson, Gibson Transportation Consulting, Inc.



**AGREEMENT  
FIRST AMENDMENT**

THIS FIRST AMENDMENT TO AN AGREEMENT is made this 14<sup>th</sup> day of September, 2011, 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 including a traffic impact report and parking analysis 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 Amend the existing agreement dated April 6<sup>th</sup>, 2010, and all terms and conditions of that Agreement shall continue and remain effective and in full force, with the exception of the Compensation. The Compensation section shall be amended as indicated by this agreement, and shall be in addition to the existing Agreement and as set forth in Exhibit "A", Proposed Amendment Regarding the Draft EIR for the Manhattan Village Shopping Center Improvement Project, dated July 8, 2011. As stated in the Proposed Amendment, the additional work will be completed in coordination with Gibson Transportation Consulting, Inc and Mr. Pat Gibson will continue to serve as project manager for the traffic and parking analysis.

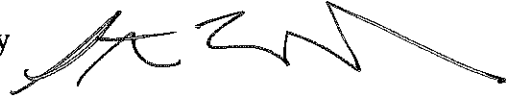
2. **Compensation.** CONTRACTOR shall be compensated additionally as follows:

3.1 **Amount.** Compensation under this First Amendment Agreement shall not exceed Seventy-Five Thousand Dollars (\$75,000) as set forth in Exhibit "A", which is attached hereto and incorporated herein by this reference.

**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

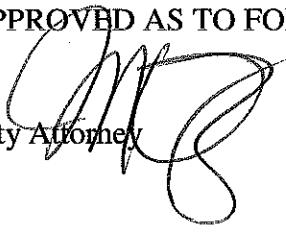


**ATTEST:**

City Clerk

**APPROVED AS TO FORM:**

City Attorney





July 8, 2011

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

**RE: PROPOSED AMENDMENT REGARDING THE DRAFT EIR FOR THE MANHATTAN VILLAGE SHOPPING CENTER IMPROVEMENT PROJECT**

Dear Laurie:

This letter addresses a proposed amendment to our contract to prepare an Environmental Impact Report (EIR) for the Manhattan Village Shopping Center Improvement Project (project). Below is a description of the tasks and associated fees requested by Matrix Environmental (Matrix) and Gibson Transportation Consulting (Gibson) to complete the Draft EIR for the project.

**ADDITIONAL MATRIX TASKS REQUIRED TO COMPLETE THE DRAFT EIR**

Sunnyvale Decision

As you are aware, in December 2010, the California Court of Appeal for the Sixth District issued an opinion on the Sunnyvale case pertaining to the environmental baselines used in an EIR for a long-range transportation improvement. The Sunnyvale decision interprets CEQA to require that project-specific impacts should be analyzed based upon adding a project's impacts to existing conditions.

Matrix has nearly completed the impact analysis sections of the Draft EIR. Thus, Matrix Environmental will prepare supplemental analyses to address the Sunnyvale case. Specifically, Matrix will prepare analyses that evaluate the project's impacts against an existing baseline condition prior to the project's approval for air quality and noise. These analyses will supplement the analyses within the Draft EIR that currently compare the project's impacts with future project conditions. With regard to air quality, the supplemental analysis will specifically include the following:

- **Regional Construction Emissions:** A qualitative evaluation will be provided to demonstrate that the evaluation of construction emissions completed to date reflects the upper-end of potential air quality impacts.





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- **Localized Construction Emissions:** A qualitative evaluation will be provided based on the rationale included for regional construction emissions and use of existing background pollutant concentrations.
- **Regional Operational Emissions:** The emissions inventory prepared for buildout of the proposed project will be updated to reflect the existing baseline year. The analysis of daily operational emissions from the project will be conducted using the URBEMIS 2007 computer model recommended by the SCAQMD.
- **Localized Operational Emissions:** Matrix Environmental will review the traffic analysis for existing baseline year and model up to three intersections if required.

With regard to noise, Matrix will work with AES to provide a supplemental analysis of traffic noise impacts that compares the projects traffic noise increases with existing conditions. In addition, as described below, a supplemental traffic analysis that compares project impacts with existing conditions will be prepared by Gibson Transportation. The supplemental air quality, noise and traffic analyses will be incorporated into an Appendix within the Draft EIR.

#### Modification to Restaurant Square Footage

The Applicant has requested to modify the proposed restaurant GLA to provide for a total of 109,000 square feet of restaurant uses upon completion of the project. As part of this modification, an additional 2.6 parking spaces would be required for each 1,000 square feet of restaurant GLA that exceeds the 23,266 square feet of GLA. As a result of this modification to the project description, the impact analysis sections within the Draft EIR will need to be updated. In addition, several of the technical analyses will need to be updated.

#### Additional Revisions to Draft EIR

Matrix assumed that \$16,500 in staff hours would be necessary to revise the Draft EIR based on comments from both the City and Applicant. The fees for this task were provided as an allowance as the amount of comments and the level of effort to respond to the comments could not be precisely estimated. Matrix has now received comments on the majority of the EIR sections. Based on the number and type of comments we have received, additional effort beyond our allowance will be necessary. In particular, sections such as land use and aesthetics will require more revisions, as project features such as building heights and signage are being revised. In addition, the land use section has required more modification than expected as a result of Applicant and City comments. The





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water supply section also required substantial revision to account for the West Basin Municipal Water District's 2010 Urban Water Management Plan that was approved in May 2011. In addition, other sections, such as police and fire protection, needed to be updated based on updated agreements between the City and Applicant. The noise section will also require some new analysis in response to the City's request to modify the thresholds of significance that are used.

#### Additional Meetings and Coordination

In our last proposal to you, Matrix had assumed that the EIR would be complete at a much earlier date. However, revisions to and completion of technical reports have required a substantial amount of staff time to coordinate and have also resulted in extension in the schedule. Additional meetings have also been required to address comments related to police protection, fire protection and hazards.

#### **ADDITIONAL GIBSON TRANSPORTATION TASKS REQUIRED TO COMPLETE THE DRAFT EIR**

Gibson Transportation Consulting was asked to complete additional work tasks and consultation that were not part of their original scope of work. These additional tasks included preparation of a Sunnyvale analysis related to traffic, review of the Traffic Section of the Draft EIR, revisions to the Traffic Study, updated traffic counts, updated trip generation, analysis of additional restaurant space, preparation of a Traffic Study Addendum and attendance at additional meetings. A more detailed description of these additional tasks is provided in Attachment A to this letter.

#### **PROPOSED FEES**

As indicated in the table below, Matrix's proposed staff fees for the tasks described above are \$37,800. These fees include preparation of the Sunnyvale analysis, modifications to the EIR to account for the increase in restaurant area, additional revisions to the EIR beyond those already anticipated, and additional meetings and coordination. In addition, Gibson Transportation also proposes \$33,700 in fees to complete the Traffic Study and related tasks requested by the City and Applicant. An estimated \$3,500 is also requested for printing costs for the EIR.

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: additional modifications to the Project Description; analysis of additional technical issues; revisions



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due to changes in the technical reports prepared by others; more City or project team comments or meetings than contemplated; production of additional documents; or significant delays in the project beyond the control of Matrix Environmental.

<b>Table 1</b>	
<b>Proposed Fees</b>	
<b>Task Description</b>	<b>Fees</b>
<b>Matrix Environmental</b>	
Prepare Sunnyvale Analysis	\$7,900
Modifications to EIR Account for Change in Maximum Restaurant Area	\$5,900
Additional Revisions to Draft EIR Based on Team and City Comments and Additional Revisions to Technical Reports	\$16,000
Additional Meetings and Coordination	\$8,000 <sup>a</sup>
<b>Subtotal Matrix Environmental</b>	<b>\$37,800</b>
<b>Gibson Transportation</b>	
Sunnyvale Analysis, Draft EIR Review and Revisions to Traffic Study	\$10,000
Updated Traffic Counts, Updated Trip Generation, Analysis of Additional Restaurant Space, and Preparation of Traffic Study Addendum	\$13,700
Meetings	\$10,000
<b>Subtotal Gibson Transportation</b>	<b>\$33,700</b>
<b>Total Matrix and Gibson Labor</b>	<b>\$71,500</b>
<b>Other Direct Costs (estimate)</b>	<b>\$3,500<sup>b</sup></b>
<p><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 costs to exceed budgets for the line items, additional authorization will be sought prior to exceeding approved budgets.</p> <p><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.</p>	



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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".

Stephanie Eyestone-Jones  
**MATRIX ENVIRONMENTAL**  
President

Attachment: Gibson Transportation Scope of Work and Fees



## SCOPE OF ADDITIONAL SERVICES

### TRAFFIC IMPACT ANALYSIS FOR THE MANHATTAN VILLAGE SHOPPING CENTER MANHATTAN BEACH, CALIFORNIA

August 15, 2011

Gibson Transportation Consulting, Inc. (GTC) has been asked to complete additional work tasks and consultation that were not part of our original scope of work, including additional consultation associated with the preparation of an analysis of Existing plus Project conditions based on recent CEQA rulings that require that an analysis of Project impacts on the existing environment be presented as part of an EIR. In addition, further consultation and analyses were requested based on our meetings with the project team, City traffic engineer and other City staff to address traffic and parking-related comments on the Draft EIR. This Scope of Services includes consultation associated with the additional analysis and assessment of traffic-related impacts compared with existing conditions, alternatives analysis and review, minor revisions to the traffic study and Draft EIR traffic and circulation sections, additional traffic count data at selected intersections, traffic count data comparisons, updated traffic counts at the existing Fry's store, further trip generation evaluation, and evaluation of parking demand with additional restaurant spaces.

#### WORK TASKS

The following services are planned to be provided, based on direction received from Matrix Environmental and/or other authorized agents of the project team.

1. Existing With Project Analyses (Sunnyvale). Pursuant to the request of the Project team, GTC will prepare an analysis of Existing plus Project conditions based on the recent CEQA ruling. This work effort includes further coordination with the project team, additional level of service analyses, evaluation of project-related impacts, as well as a comparison to the conclusions outlined in the traffic study contained in the Draft EIR. GTC will prepare the appropriate report text, tables, graphics, traffic volume exhibits and appendices, which will be forwarded to the Project team for incorporation in the EIR.
2. Draft EIR Review. GTC will review the traffic and circulation-related sections, as well as the Project alternatives of the Draft EIR and forward comments to the project team. As part of this work effort, GTC will review on a qualitative basis the traffic, circulation and parking-related aspects of the Project alternatives and provide feedback to the project team. It is assumed that preparation of full impact analysis of the Project alternatives (i.e., a quantitative analysis of all study intersections and parking) will not be required. Should further analyses be required, an amendment to our contract will be necessary.



3. Revisions to Traffic Study. GTC will review additional comments and potential revisions to the traffic study and traffic and circulation section of the Draft EIR. This work effort includes providing comments and responses to the Project team, as well as minor revisions to the traffic analysis. Additionally, GTC will provide traffic related information (i.e., traffic volume figures, ADT volumes, level of service, etc.) to the team for use in preparation of the Draft EIR. Should further revisions to the traffic study report or related analyses, further review of traffic mitigation measures, other consultation associated with the Final EIR, etc., be required, an amendment to our contract will be necessary.
4. Updated Traffic Counts. Based on direction from the City's traffic engineer, updated traffic counts were requested at four key intersections for purposes of comparison to the prior traffic counts conducted in 2008. New manual weekday afternoon (4:00 to 6:00 PM) and Saturday midday (12:00 to 2:00 PM) peak period traffic counts at up to four intersections will be conducted. The traffic counts will include vehicle classification counts at the Cedar Way & Marine Avenue intersection. As part of this work effort, GTC will review and compare the updated traffic count data to the traffic volumes contained in the Draft EIR.
5. Updated Trip Generation. GTC will update the project trip generation estimates based on new traffic counts conducted at Fry's as requested by the City's traffic engineer. Based on direction from the project team, new weekday afternoon and Saturday midday peak period traffic counts at the Fry's driveways were conducted on Thursday and Saturday, April 14 and 16, 2011. This work effort includes review of the applicable trip generation rates outlined in the latest *Trip Generation* manual published by the Institute of Transportation Engineers, assessment of the current trips generated by Fry's, preparation of an updated project trip generation forecast, and comparison of the updated trip generation forecast to the forecast contained in the Draft EIR. In addition, GTC will assess the increases in trip generation, updating the intersection analyses at the Sepulveda Boulevard & Rosecrans Avenue intersection, and evaluate the potential project impacts.
6. Analysis of Additional Restaurant Space. After completion of the initial Draft EIR circulated for the City's review, GTC received revisions to the project description that included changes to the amount of maximum restaurant space within the shopping center. This change requires additional traffic and parking analyses, as well as further coordination with the project team. This work effort includes review of the parking requirements for the project, determination of the peak parking demand for the site, updating the parking analysis, comparison of the forecast parking demand with the proposed parking supply, and assessment of potential parking-related impacts. The updated parking analysis will be incorporated into the traffic study addendum and revised Draft EIR.



7. Preparation of Traffic Study Addendum. Based on direction from the project team, GTC will prepare a traffic study addendum that summarizes the updated analysis outlined in Tasks 4-7 above. This work effort includes further coordination with the project team, as well as preparation of the appropriate report text, tables, graphics, traffic volume exhibits and appendices. The addendum will be forwarded to the Project team for incorporation in the EIR. Based on comments
  
8. Meeting Representation. This scope includes the meetings GTC prepared for and attended on April 12 and 21, 2011, as well as numerous conference calls with the project team. It is envisioned that two additional meetings or conference calls with the project team will be needed to review the revisions to the analyses and Draft EIR. Should additional meeting representation be required beyond that budgeted herein, an amendment to our contract will be necessary.

## **BUDGET**

The estimated budget is a total of \$33,700 as follows: \$10,000 for Tasks 1-3 of the above-described scope of services, \$13,700 for Tasks 4-7, including \$2,640 for new traffic counts, and \$10,000 for the meeting representation outlined in Task 9. This estimate is based upon our normal hourly billing rates, plus reimbursement for direct expenses.

It should be noted that GTC will provide consultation consistent with our original scope of service with the City such as preparation of responses to comments, and attendance at one (1) Planning Commission and one (1) City Council meeting. Consultation beyond what was agreed to in prior agreements with the City would be additional and billed on a time-and-expenses basis as outlined below.

## **ADDITIONAL SERVICES**

Attendance at additional meetings, conference calls, work sessions, and public hearings, as well as the conduct of work beyond the scope identified in this proposal or prior agreements with the City (i.e., additional traffic or parking data collection, additional traffic and parking analyses, further revisions to the traffic study, detailed responses to comments, etc.), will be additional and completed on a time and expense basis at our normal billing rates.

**ATTACHMENT A  
GIBSON TRANSPORTATION CONSULTING, INC.  
BUDGET ESTIMATE- ADDITIONAL SERVICES  
MANHATTAN VILLAGE SHOPPING CENTER  
TRAFFIC AND PARKING ANALYSIS**

EMPLOYEE	HOURLY RATE	HOURS PER TASK						TOTAL	TOTAL COSTS	
		1-3 Prev. Agreed Scope	4 Updated Traffic Cnts	5 Trip Generation	6 Add Rest Space	7 Traffic Study Addendum	8 Meetings			
President	\$320			1	4	2	16	23	\$7,360	
Principal	\$200							0	\$0	
Project Manager	\$185		2	4	6	8	20	40	\$7,400	
Senior Associate	\$150							0	\$0	
Associate	\$125		6	8	8	12	6	40	\$5,000	
Administrative Support	\$115					2		2	\$230	
Graphics Technician	\$115		1	2		2	4	9	\$1,035	
Field Technician	\$100							0	\$0	
<b>TOTAL HOURS</b>		--	0	9	15	18	26	46	114	--
<b>TOTAL LABOR COSTS</b>		\$10,000	\$0	\$1,235	\$2,290	\$3,390	\$4,080	\$10,030	--	\$31,025
<b>OTHER DIRECT COSTS:</b>										
Traffic Counts:		@ PM and Midday peak period at Fry's driveways and 4 study intersections							\$2,640	
Mileage:		@ \$0.51 per mile						200	\$102	
Travel Costs:								0	\$0	
Total Other Direct Costs									<u>\$2,742</u>	
<b>TOTAL COST</b>									<b>\$33,767</b>	

Note: This estimate does not include review, permit or other fees the City or jurisdiction may assess on the project.

Note: Hours per task by employee are for budget estimation purposes only.

Note: Budget estimate for previously agreed scope (Sunnyvale, Draft EIR/Alternatives review, Traffic Study revisions/comments) provided and reviewed by Chuck Fancher (e-mail, February 22, 2011).