

**CITY OF MANHATTAN BEACH
PLANNING COMMISSION
MINUTES OF ADJOURNED MEETING
OCTOBER 3, 2012**

An Adjourned Meeting of the Planning Commission of the City of Manhattan Beach, California, was held on the 3rd day of October, 2012, at the hour of 6:31 p.m., in the City Council Chambers of City Hall, at 1400 Highland Avenue, in said City.

1. ROLL CALL

Present: Conaway, Gross, Ortmann, Paralusz*, Chairperson Andreani
Absent: None
Staff Present: Richard Thompson, Community Development Director
Laurie Jester, Planning Manager
Ariana Kennedy and Angela Soo, Recording Secretaries

*Commissioner Paralusz arrived at 7:06 p.m.

2. APPROVAL OF MINUTES – September 12, 2012

Action

A motion was MADE and SECONDED (Commissioner Ortmann/Commissioner Conaway) to **APPROVE** the minutes of September 12, 2012.

AYES: Conaway, Gross, Ortmann, Chairperson Andreani
NOES: None
ABSENT: Paralusz
ABSTAIN: None

3. AUDIENCE PARTICIPATION

4. PUBLIC HEARING

**10/03/12-2 Presentation on the Manhattan Village Shopping Center
Enhancement Project Located on the East Side of Sepulveda
Boulevard Between Rosecrans Avenue and Marine Avenue.**

Director Thompson commented that staff and the applicants have been working closely together on the comprehensive master plan to update the shopping center.

Planning Manager Jester summarized the staff report, and explained that all input from the public will be addressed in the Final Environmental Impact Report (EIR). She clarified that the meeting was the second in a series and any questions or concerns could be shared via email, mail, etc. Any member of the public wishing to be included in future public meeting notices should also contact her.

Chairperson Andreani asked when the Master Use Permit and signage for the property would come before the Planning Commission.

Planning Manager Jester explained when the EIR is finalized the public hearings before the Planning Commission will include the Master Use Permit and signage for the property.

Commissioner Gross asked if the Master Use Permit is for the redevelopment area or the entire property.

Planning Manager Jester explained the EIR covers the 18-acre portion of the mall scheduled for redevelopment and the Master Use Permit covers the entire 44 acre property.

Commissioner Gross asked if this is the proper time for input for regarding the transportation for the entire mall.

Planning Manager Jester confirmed it is the time to provide input.

Commissioner Gross asked if it is appropriate to place time constraints on the different phases of the project in order to insure the redevelopment is completed in a timely manner.

Planning Manager Jester explained the phasing is partly addressed in EIR as well as in the development agreement.

Commissioner Ortmann asked if all the property owners of the shopping center were on board with the redevelopment phases.

Planning Manager Jester explained the City has signed affidavits from all of the property owners saying they are now a party to the application; there are still private agreements to be negotiated between the property owners.

Commissioner Conaway asked for clarification regarding the next steps.

Planning Manager Jester explained there will be another round of public hearings regarding the final EIR, variance, sign exception, and development agreement before the project goes before City Council and the number of public hearings depends on the Planning Commission, but it will move forward before 2013. She then introduced Mark English, the RREEF representative.

Mark English, representing RREEF, began his PowerPoint presentation. He commented that the property owners believe the enhancement project would be a tremendous opportunity for the shopping center. He indicated that the center consists of 44 acres and 570,000 square feet of building area. He said that their leasing area is comparatively small compared to South Bay Galleria and Del Amo Mall. He commented that the center is currently almost fully occupied, and they would like to expand to keep retail revenue in the City. He stated that their vision is unique to Manhattan Beach. He commented that the business along Sepulveda Boulevard would benefit and property values would be increased by the project. He indicated that the annual sales for the center are approximately \$270 million. He indicated that they would like to create a gateway to Manhattan Beach at Rosecrans Avenue and Sepulveda Boulevard. He indicated that they also would like to enhance the green belt pedestrian bikeway, as the additional pedestrian and bicycle traffic would benefit their businesses.

Mr. English pointed out that there is a need to improve the circulation and access with the Fry's property. He stated that they would include green areas as part of the redevelopment. He stated that they want to be certain that they are providing an opportunity for the retailers to succeed. He commented that Fry's generates a large amount of tax revenue for the City. He indicated that the lease for Fry's ends in 2016, and it is likely that Fry's will leave after the current lease expires. He indicated that the fact that the Pacific Theater has closed adds to the

need for the renovation of the site. He said that the Apple store currently occupies a small space in the mall and needs more space to expand.

Mr. English said that the City's annual tax revenue from the center is approximately \$2.7 million. He said that they believe they can increase the sales of the existing center with the renovation. He described the proposed new design of the center and walked through mock ups of the site design. He commented that they are hoping that Macy's will consolidate the men's store with their main store. He said that their intent is to place the parking garages proximate to the retail stores for customer convenience.

Mr. English indicated that the majority of customers at the center live in Manhattan Beach. He said that they are not designing the center to become a regional draw.

Commissioner Paralusz pointed out that the majority of people who shop at the mall who live nearby would most likely not use mass transit.

Mr. English further explained the construction would begin with the south portion of the village shops and the plan is to begin construction in January 2014. The second part would be the north side, a retail street to connect to the interior mall and then expand the village shops in order to foster more pedestrian and bicycle traffic along Cedar Way; the goal is to slow traffic along Cedar Way. The new shops would lend themselves to small boutique type and restaurants, not big national chain stores. The northeast parking deck and Macy's 50,000 square foot expansion would also be part of phase two. The third phase consists of the northwest corner parking deck (which will be designed to not appear to be a parking deck) and the new (20,000 square feet and smaller) buildings along Fashion Boulevard.

Mr. English then addressed specific issues brought up during the previous Planning Commission meeting, including: crime under the bridge connecting Veterans Parkway to the site; parking deck entry and exit sites; traffic circulation improvements; Cedar Way improvements; improvements at the Cedar Way/Marine Avenue intersection; converting entrances off of Sepulveda to three way stops, rather than four way stops; and adding a middle turn lane to Carlotta Way (the western ring road).

Commissioner Conaway asked if the parking decks are single, double, or multi-level.

Mr. English explained the Village Shops south and north decks are ground level plus two (3 levels); the northwest deck is ground level plus two (3 levels); and the northeast deck is ground level plus three (4 levels). He pointed out the Hacienda building is 42 feet high and the northwest parking deck would be 26 feet high.

Commissioner Conaway asked for the heights of the existing light standards and the proposed light standards.

Mr. English explained the existing light standards are 30 feet high; the proposed light standards atop the Village Shops parking decks would be 37 feet from the ground.

Commissioner Gross asked if headlights of autos would fall below the parapet of the Village Shops parking structure or be visible over the top of the parking structure.

Commissioner Paralusz asked if the plan for lights is similar to what is already on the property.

Mr. English explained the existing lights were switched to LEDs about a year ago. They are

more focused therefore, fewer light poles are needed but each needs to be taller or there need to be more light poles. Each of the lights have a hood focusing the light down. The parapet is 4 feet above the top deck of the parking structure.

Commissioner Gross recommended interested parties look at the lights that were just installed by the City on the walk streets west of Highland Avenue, around 16th to 19th Street They are brand new LEDs with hoods that focus the light on the ground.

Commissioner Paralusz asked how many light poles did the site plan include for the top of the parking decks.

Brad Nelson, the lighting engineer, explained the total number of light poles on top of the parking decks would be nine.

Commissioner Conaway asked if the photometric analysis is included in the EIR.

Mr. Nelson explained the photometric analysis of what is currently on the site and what has been proposed are both detailed in the EIR.

Mr. English presented a mock-up panorama of the corner of Sepulveda Boulevard and Rosecrans Avenue and explained the use of architectural elements to hide the proposed parking deck.

Commissioner Ortmann shared his opinion that the mock up panorama of the Sepulveda Boulevard/Rosecrans Avenue corner does not maintain the status quo but makes it less friendly. He expressed his wish for RREEF to explore alternatives for the northwest corner of the property to activate the corner with retail and to be more pedestrian oriented.

Mr. English thanked Commissioner Ortmann for his input and stated the property owners are looking for input and feedback.

Commissioner Conaway asked if the parking deck at the Sepulveda/Rosecrans corner has expanded since the Planning Commission meeting in June.

Mr. English explained the site plan has not changed since the June Planning Commission meeting. No parking has been added. An alternative concept for a 10 story parking structure on the north end was presented to the Oak Avenue neighbors as they objected to the north and south Village Shops structures.

Commissioner Ortmann indicated that instead of a 10-story structure, which would be very unappealing, that underground parking should be considered.

Mr. English further explained a number of people have expressed concern with crime and security in underground parking structures. And based on research, above ground parking decks are among the safest. He highlighted some of the crime mitigation design aspects: no blind corners, no dark corners, panic/pull stations, and no isolated parking areas. He commented that below ground parking structures could have environmental issues since the site is built upon a former Chevron tank farm, and there are hydrocarbons on the site. The site has been capped but contaminated soil would need to be excavated if underground parking was built.

Commissioner Gross mentioned information regarding the environmental issues related to the capped tank farm are also detailed in the EIR.

Commissioner Paralusz asked if the safety of the parking structures and environmental impacts on the site are the applicant's contentions or the opinions of an independent body.

Mr. English explained the EIR is compiled by an independent body.

Commissioner Gross affirmed the EIR is compiled by an independent body that was hired by the City and paid for by the applicants. He mentioned the ramp that currently runs from Veterans Parkway to the site could be kept to connect the site to the Parkway sooner, and not wait for the final phase to be completed.

Mr. English explained that the traffic volume on Carlotta Way would make a bike and pedestrian connection from Veterans Parkway close to the Sepulveda Bridge difficult. Therefore, the site plan connects Veterans Parkway under Sepulveda Boulevard and to the Rosecrans Avenue side of the site.

Commissioner Gross expressed his concern with the connection between Veterans Parkway and the mall property that bike access should be designed in a way that they enter the top level of the site just east of the bridge.

Mr. English pointed out the proposal for an oversized elevator connecting the tunnel, parking deck, and site. He mentioned RREEF discussed the plan with the Bicycle Coalition and their focus was connecting Veterans Parkway to Rosecrans.

Chairperson Andreani explained she did not see the chart included at the June 27th meeting that had identified clear circulation for cars, pedestrians, and bicycles and asked if the Bicycle Master Plan had determined Veterans Parkway become a bike Path.

Director Thompson explained the Bicycle Master Plan has not determined that Veterans Parkway will become a bike path but a connection under Sepulveda is important.

Commissioner Gross affirmed that the Bicycle Master Plan provides for a bike path along Veterans Parkway, not necessarily on the Parkway.

Commissioner Paralusz expressed her concern with the security for bicyclists and pedestrians under Sepulveda Boulevard.

Mr. English clarified the plan creates a specific bike lane under Sepulveda with security and lighting. The EIR would require the deck covering the parking allow for natural light.

Commissioner Paralusz asked **Mr. English** to detail the crime prevention efforts for the connection under Sepulveda Boulevard and the lower level parking.

Mr. English assured Commissioner Paralusz he would return with examples of other decks and the type of security, artificial, and natural light they require.

Commissioner Ortmann shared his disappointment regarding the connection of Veterans Parkway to the site; he explained it is an opportunity lost for the shopping center; it is rare to have the ability to connect alternative transportation to a site in this manner.

Mr. English assured the Planning Commission the applicants would reexamine the Veterans Parkway/site connection.

Commissioner Gross asked if the bike path along Cedar Way is a class one or shared path.

Mr. English explained Cedar Lane will have a sharrow. He thanked the Commission and members of the community for their participation in the meeting.

Director Thompson introduced **Pat Gibson**, the traffic engineer hired to do the traffic analysis portion of the EIR.

Pat Gibson, representing Gibson Transportation, explained his firm was retained by the City to complete the traffic requirements of the EIR. **Mr. Gibson** gave his PowerPoint presentation highlighting 13 intersections including driveways that access the site along Sepulveda Boulevard, Rosecrans Avenue, and Marine Avenue and the flow of traffic within the site.

Mr. Gibson stated that the comments that are received related to traffic throughout the process will be incorporated into the Final EIR and responses will be provided as part of the Final EIR. He commented that they looked at the intersections that carry a high volume of traffic during peak periods. He said that they focused on the weekday afternoon peak hour traffic and mid-day Saturday peak traffic. He said that the traffic counts were conducted in 2009, and updated counts were done in 2010 and 2011. He indicated that the traffic forecasts from 2009 far exceeded the actual traffic counts taken in 2011. He said that they also looked at traffic counts taken during different times of the year. He indicated that they looked at traffic in summer and non-summer months.

Mr. Gibson commented that the project would not result in a significant impact to traffic as defined by CEQA, as there is a less than 2 percent increase in traffic, and there is also no parking impact for the center. A 2 percent increase is the threshold of a significant impact to traffic. Internal as well as external circulation improvements are proposed to be included as part of the project. The site plan includes a hierarchy of roads. Carlotta Way would become the outer ring road, absorbing most of the traffic and making Cedar Way safer for pedestrians and bicyclists.

Commissioner Conaway asked if the future development in El Segundo was factored into the analysis.

Mr. Gibson explained that there are two required tests: one test is add your traffic on top of existing traffic and tell what that condition is; the second test is tell what your traffic is on top of future traffic in 2021. Under both conditions the project does not have a significant impact on traffic.

Commissioner Ortmann asked how the three-way stops entering the site would improve traffic circulation, and that the 33rd Street entry throat seems too short, and if Mr. Gibson would design the site differently if he were to begin the project again.

Mr. Gibson explained the ring road, Carlotta Way, will stop traffic from flowing into the center of the site, allowing priority for inbound traffic with no stops at 33rd, 30th, and 27th Streets entering the site. He explained if he were designing the shopping center today he would design something very similar. **Mr. Gibson** further highlighted the plan for improving crosswalks protected by stop lights, speed humps, raised intersections, and different pavement material.

Commissioner Gross asked Mr. Gibson to discuss mass transit on the site.

Mr. Gibson highlighted the transit stop at the beginning of the plaza area where a local shuttle will be able to make a stop. He pointed out the shopping center is not conducive to mass public transit due to high traffic volumes at peak shopping times during the year.

Commissioner Conaway asked if there are proposed improvements to the bus stops on the adjacent public streets.

Mr. Gibson explained the improvements to the pedestrian walkways and connectivity between the bus stops and site are improvements.

Commissioner Gross asked **Mr. Gibson** to explain how pedestrians walking from Veterans Parkway can walk under Sepulveda Boulevard and then get up to the shopping area.

Mr. Gibson pointed out the stairway/elevator connection in the northwest parking deck would serve to connect pedestrians and bicyclists to the shopping center.

Commissioner Conaway asked if there are planned improvements along Cedar Way to Marine Avenue.

Mr. Gibson highlighted the plan to improve Cedar Way to Marine Avenue, which includes a sharrows.

Commissioner Gross commented that the EIR does not provide solutions for fixing the existing problem intersections around the site. He asked if mitigating the traffic issues are within the scope of the project.

Mr. Gibson explained it is not within the scope of the project, since each project is only responsible for mitigating the traffic they add. Mr. Gibson thanked the Planning Commission.

Commissioner Paralusz apologized for coming late and explained that she just flew in from Washington D.C. where she was working.

Chairperson Andreani opened the public hearing.

Audience Participation

Alan Bloom, a resident of Park Place, thanked the Commission for their mutual concern in how the project would affect the northeast corner at the intersection of Rosecrans Avenue and Village Drive. He said the EIR noted this would be a major portal for all construction equipment to pass through. He said steps should be taken to mitigate potential traffic problems given that the street is narrow and also near the country club, homes and senior villas.

Mr. Bloom said his main concern is the City owned parking lot that directly abuts the senior village, soccer field, country club, and is also in direct line of sight from homes. If the parking lot area becomes the construction staging site with dumpsters, port-o-potties, construction workers and heavy equipment, then it may cause a negative impact to the surrounding businesses, residents and operations at the soccer field used by thousands of residents. He also was concerned about potential rodent infestation from food debris left by construction workers.

Mr. Bloom pointed out the parking lot problems are only construction related and should dissolve when the mall becomes fully operational. However, once the project is complete, the shopping center will attract many visitors outside of the Manhattan Beach area. The Rosecrans

Avenue and Village Drive intersection will become the main entrance from the east and he would like to see it remain a single-lane turn and then further down on Rosecrans Avenue have two lanes.

He reiterated his primary concern is that the parking lot does not become part of the whole construction process. He would like to see it remain primarily used by employees and soccer field patrons, and as an entryway to the senior villas and supplemental parking for the country club.

Glenn Goldstein, Chairperson of the joint homeowner committee in Manhattan Village, stated there are two residential homeowner committees which have been meeting jointly on a regular basis with RREEF representatives since 2007. He said initially in 2007 there was considerable conflict when a three-story parking garage was proposed to be built directly across from homes, between CVS and Macys. An accord was later reached bilaterally to not build the parking garage in that location. **Mr. Goldstein** said Manhattan Village residents now support the upgrading of the mall and that no one wants to see it deteriorate. The residents also share construction concerns. He intends to continue a dialogue with mall representatives and commended them for meeting consistently with residents.

Michael Don, a Manhattan Beach resident and executive director of the South Bay Bicycle Coalition, told Commissioners he considers himself in good hands with the Commission and City staff because the interests of bicyclists and everyone else are thoroughly being addressed. He commended the professionalism of City staff and noted the developer also reached out to the bike community for input. He would like the developer to be committed to several key concepts, the first one being safety. The need for safety features, such as raised crossways and separate bike lanes as mentioned by Commissioner Gross, becomes more important as people in the City are walking and biking more. As a longtime businessman himself, he said businesses benefit from having increased safety as it brings more people to the center. Children and families should be able to feel comfortable about safely walking or biking.

Confidence is the second concept he would like addressed, where ample bike parking be provided so that cyclists can lock their bikes up with confidence and security.

A third concept he shared is having connections that allow for circulation. He said implementing a connection to Rosecrans Avenue may be overstated, but the Bicycle Master Plan has proposed bike lanes on Rosecrans Avenue. He said it would be acceptable to him if Rosecrans Avenue is the last street to get bicycle lanes because he considers it a dangerous street with a lot of activity. The Bicycle Master Plan that was adopted by the City and several other cities does not include proposed bike lanes on Sepulveda Boulevard.

A fourth concept is to connect the west and east side of Sepulveda Boulevard to the center. He said this can be accomplished for the east side with some minor improvements by implementing bike friendly streets from Marine Avenue to Meadows Avenue. These improvements can also link to the City of Redondo Beach, which he said is already looking into sharrows. He also added the final concept of exploring the appropriate way of linking the Veterans Parkway greenbelt to the mall.

Commissioner Paralusz asked **Mr. Don** if he had safety concerns with the proposed area under the Sepulveda Bridge.

Mr. Don said it would be ideal to have an above-ground pathway, but does not want to be extreme and insist on that being the only option. He said adding as many safety features, such as installing lights and cameras and encouraging more people to walk, would make the

underground area safer. He also noted the importance of having designated bike lanes on Cedar Way.

Wendy Phillips, a Manhattan Beach resident, said she supports the project but her support is contingent upon several clarifications and improvements. She is opposed to allowing compact parking spaces to be used to satisfy parking requirements, as many vehicles are large SUVs that make it difficult for other cars to park in adjacent compact spaces. She supports the Veterans Parkway connectivity to the tree section, but said more details on the elevator need to be provided as she did not see it mentioned in the EIR. She appreciates the efforts to make the mall more bicycle and pedestrian friendly with the Cedar Way improvements, but is concerned how it may become less pedestrian friendly in the section in front of Ralph's and the drug store.

She would also like the ability to park her car and walk east, west, north or south without having to drive from one end of the mall to the other, such as being able to park her car by Ralph's and then walk to the northwest corner of the mall.

She also asked if contaminants remaining from the Chevron tank farms meet the most current cleanup criteria, and is the most current environmental data being used. She did not see that information mentioned in the EIR.

She disagrees with staff's presentation that the variance in building height is a less than significant impact, especially when taking into consideration the community's sensitivity to building height. She asked for more details on the visuals for the parking structures. She believes the Veterans parkway connection needs more details. She distributed copies of a letter she submitted in July that summarized her previous comments.

Constructing underground parking should be explored further and she supports improving mass transit.

Chris Prodromides, a resident of Oak Avenue, said his community across the street continues to have the same concerns since the last meeting with mall representatives. The primary one is changing the complexion of the city by taking on such a large project. He said the 20 percent growth of the mall would put demands on traffic, parking, safety, security, and create difficulty navigating through the property via walking, biking or driving in a vehicle. The separate intersections at Rosecrans and Marine Avenues are already failures and he does not want to see any additional pressure on those streets.

He is unhappy about the two and three-tiered parking garages being located across from Oak Avenue. He said there will be leaking light from cars accessing the garage and from light poles on top of the structure despite using LED lighting. He also noted increased noise from cars honking.

He expressed concerns about the proposed parking decking from Veterans Parkway into the mall. He agreed with the previous comment made about the deck structure possibly erasing parts of the mall. The mall should consider highlighting this area and possibly exploring an open-air second level of the mall.

The new layout currently makes it very difficult for pedestrians to move across the mall in an east-west direction. He said the ring street and parking structures will actually make it less pedestrian friendly, which is ironic since there is an effort to encourage people to drive less.

He appreciates the developer making the mall more marketable in the event they need to leave after a six-year stewardship, but posed the question if that is in the best interest for the City of Manhattan Beach.

He also commented that maybe too much focus was being placed on bikes.

Marilynn Holcomb, a resident of 33rd Street, said she agrees with everything **Mr. Prodromides** said. She mostly enjoyed the presentation showing the stores and buildings on both sides and placed the shopping where Fry's is located. This would then make it possible to install streetscape to allow people to move about freely not only in a north-south direction, but also east and west. She supports putting all the parking on the north side in a 10 story parking structure.

Diane Wallace, President of Manhattan Village Homeowners Association, said she has been meeting with the mall for the past year and a half. She stated the law requires a project of this size to communicate with residents within a 500-foot radius. She is not aware of the senior villas receiving any notification and said they should be included considering their proximity.

Another concern was that the design of the parking garage seemed larger than previous drawings with an increase in structure spaces and a decrease in surface level spaces. She supports locating garages farther away to encourage people to walk more. She said the Planning Commission should request a specific presentation on the designs of the parking structure because currently there are no renderings. She also asked that electrical vehicle charging stations are provided. She shares the same concern about the compact parking spaces mentioned earlier.

Previously the mall gave a presentation to Manhattan Village residents where the design showed a retail building at the corner where Fry's was located and it had a terrific Welcome to Manhattan Beach sign, but she said now the drawings are unattractive with a tall structure showing only store names. She questioned if the design had changed and would like the Commission to further examine that. She said actual dimensions need to be included in the drawings because the first landscape panoramic shot which showed a parking structure that was ground level plus two stories located next to one of the new one-story buildings made the parking garage actually appear lower than the building.

She raised concerns about the existing Chevron tank farm underground that covers the area from Sepulveda to Aviation Boulevards and Marine to Rosecrans Avenues. The method for treating contaminated sites seems to vary depending on the area, **Ms. Wallace** said. The Manhattan Village homes utilize an active methane monitoring system, which detects for the gas underground and then undergoes a treatment process that makes it safe when released into the air. The rest of the property, however, including the mall site uses a passive system. She said Chevron should use the active system throughout the entire site given the number of people who visit there.

She recommended further investigation of the soil at this project. The developers may have done projects in other places where there were contaminants in the soil, but she said that has nothing to do with the soil underneath the current site. She pointed out that no one knows the actual conditions of the soil and suggested hiring an outside consultant to test the soil and make that determination. She commented that the previous remediation work done by Chevron might actually make it safe to build an underground parking garage.

She would like further discussion on reducing the size of the project and shortening the construction schedule. She also suggested a second traffic report be conducted because Gibson prepared the traffic report for the Plaza El Segundo project.

Jim O'Callaghan, President of Manhattan Beach Chamber of Commerce, said without the redevelopment of this center there would be a major loss of business in the community that would have to be served elsewhere. Currently helping with city's economic development plans and working with a number of commercial retailers, they concluded a major missing component was a "box retail" use between 14,000 and 20,000 square feet. This hinders the city from a growth standpoint and does not meet the current climate. There is currently a 30 to 40 percent leakage of retail business in the city, causing residents to shop elsewhere and a tax loss for the community. He said the reason being, aside from the square foot issue, is the lack of open commercial space capable of bringing together retailers that typically travel in "herds", such as those seen at El Segundo Plaza and Del Amo shopping mall. Residents currently have to shop elsewhere. He said the City needs this project, and traffic and parking structure issues can be resolved.

DeAnn Chase, Chairperson of the Manhattan Beach Chamber of Commerce and a 15 plus year Manhattan Beach resident, said the economic vitality of the city is tied to the strength of its local business community. Local businesses must stay competitive so that it gives residents a reason to stay and shop in the city, otherwise sales tax dollars are going elsewhere. The mall needs this expansion project in order to stay competitive and keep people shopping in the city. The revenue then helps preserve the quality of life locally by helping to pave roads, hire police and fire and build the infrastructure of the community. She added the developers are not proposing big box stores, but rather creating sizeable space to house premium retailers.

Andrew Kim, a resident of the 3000 block of Oak Avenue, asked the Commission to approach the mall project from a philosophical standpoint. He would like them to envision the future direction of the City. He views Manhattan Beach as a small unique town that was not necessarily meant to compete with large shopping centers. The reason he moved to the City 12 years ago was because he found a quiet and beautiful community where he could relax confidently. He said he does not want to see Manhattan Beach resemble Santa Monica. After years of construction people will shop elsewhere. He realizes the importance of generating revenue and is hopeful there are other alternatives in accomplishing that goal, but just not at the expense of changing the city's character.

Chairperson Andreani asked **Mr. English** if he had any additional comments.

Mr. English said they do not have anything to add and thanked the public for their comments.

Commissioner Paralusz asked **Mr. English** if he had any comments on the email dated September 30, 2012 from Dan Walsh, specifically regarding the assertion that there is a lack of strategy to attract new retail or restaurant tenants, and that the developer recently noted their interest in REI. The email expressed concern that the addition of REI would "cannibalize" from existing Manhattan Beach retail space.

Commissioner Gross also asked **Mr. English** if they considered what kind of customer comes to the mall and for what purpose, and whether that fits into the view of the city. He would like them to be specific in explaining their vision and said they could address this issue at a later date.

Mr. English said they would prefer to have a separate presentation regarding their vision as they planned to only talk about the physical aspects of the project. He also explained the REI comment was perhaps spoken in haste.

Commissioner Conway added that he wants to address concerns about the 20 percent size increase being too big, which could be considered a subjective comment.

Mr. English said they actually can address questions pertaining to their customer profile and introduced **Philip Pearson** of the RREEF asset management group. He said **Mr. Pearson** is in charge of leasing and marketing strategy for the project.

Philip Pearson, Asset Manager for RREEF, said he has been with the company for 13 years. He mentioned a study they conducted about three years ago that determined 80 percent of the mall customers are from Hermosa, Manhattan and Redondo beaches and El Segundo area. He added very few people come from outside of that radius. Furthermore, 43 percent are residents and 37 percent workers in the area. Those are the primary shoppers in the mall.

In regards to the mall's vision of what specific tenants would be ideal, **Mr. Pearson** said that is considered confidential information and he is not able to disclose what specific tenants they are pursuing. He said they are looking to upgrade the tenant mix in the center by identifying local and regional retailers that make it a non-cookie cutter mall, but also add some national chains to create a balance. When the mall says it does not have space, he explained the mall inherited many long-term leases spanning across ten years that limit available retail space. Some spaces are not configured ideally for certain retailers where they want to only locate outside the mall and not inside. He said Macy's has played a large role in the design and they want a viable mall that is strong in both areas.

He personally had conversations with Banana Republic and J.Crew, but they went to El Segundo because the Manhattan Beach mall did not have the space to accommodate them. He said these retailers, including stores like Chico's, Coach and Anthropologie, consider themselves key tenants that have a habit of herding themselves together. His experience in negotiating leases with them is they often have clauses that require those other key tenants to be included in a mall.

Mr. Pearson said the market is currently split where retailers are discussing whether to locate in El Segundo or Manhattan Beach. He said Manhattan Beach will lose out on attracting existing and future retailers if the mall expansion does not take place.

Commissioner Ortmann said he is confused about the intention to not be a cookie-cutter mall when he feels that everything being presented resembles one. He thought the developers wanted to capture a local flavor, but said that intent seems to get lost because the physical design looks like every contemporary suburban mall.

In response to Commissioner Ortmann's comment, **Mr. Pearson** said they do support preserving local stores such as Super Sports and GiGi, but also acknowledged that many other retailers require a certain size and box.

Chairperson Andreani closed the public hearing.

Commission Discussion

Commissioner Gross said the presentation was a good start, but not satisfactory. He realizes there are trade secret issues that prevent the developer from revealing certain components of

their vision. He said the mall should instead give an example or two of what it wants to become in order to make it easier for Commissioners to understand.

Commissioner Ortmann continued to stress the importance of the northwest corner, including Veterans Parkway, as a unique opportunity. He acknowledged that mall representatives have probably explored different options in developing that gateway, but he does not see a significant change from the last meeting. He said it would be a real opportunity lost if that experience is not as sacrosanct as other parts of the mall. He would like to see the same commitment from developers to that corner as they are giving to ensure the driveway throat on 33rd Street remains untouched.

Commissioner Gross agreed and pointed out that it might be less costly to enhance that corner than to build a large platform tying the site together. He said the platform might prove to be too expensive and not work out.

Commissioner Conaway said he supports certain aspects of the project, but also agrees with Commissioner Ortmann that the northwest corner needs a complete redesign. He said many of the concerns regarding security, connections and Bicycle Master Plan issues could be addressed or even eliminated by devoting more time to improving the northwest corner. From his own architectural standpoint, he said it would be very difficult to build an attractive parking structure, though he would not be opposed to having parking on that corner up to grade level. He commented there was no significant change from the last drawing in June and it continues to look like visitors are just coming into a parking lot. He would like to see the developers approach Phase III with a fresh perspective after the details are worked out in the first two phases. The intersection is possibly the most traveled in the City with 58,000 cars and is the highest visibility corner. He figured placing retail stores on that corner instead of a large sign would make more sense; it should be a "jewel box". He said the corner triangle is a key component in connecting the pedestrian and bike flow to the tree section, currently this is a missed opportunity. He urged the design team to consider all the different concerns expressed to them over the last 60 days and use this as an opportunity to address them collectively.

Commissioner Paralusz thanked the public for their continued interest and appreciated their comments submitted through email, letters and in person. Collecting their input is valuable to Commissioners and to RREEF representatives. She is aware of the importance to get it right because this project will remain for a long period of time. The northwest corner also concerns her because having a parking garage, even a beautiful one, is not her idea of being very welcoming to the City of Manhattan Beach. She remarked how the cities of El Segundo and Hawthorne have welcome signs that seem more inviting. She said it would be a lost opportunity to not highlight the City and the mall in a better way. She encouraged the developers to look at alternatives.

Commissioner Paralusz said she supports the drawings that show what seem to be an improvement to east-west pedestrian pathways. Having the pathway run north and south along Sepulveda Boulevard and Carlotta Way is important, she said. Providing an east-west connection is also essential, so that people walking from east Manhattan Beach to the mall have better, safer and more continuous pedestrian access. She thanked mall representatives for their efforts.

She also noted the construction concerns **Mr. Bloom** raised and asked the developer to mitigate those problems. These issues may need to be presented at the next meeting.

She said staff should consider including the residents living in the Senior Villas and Manhattan Terrace in future notifications from the City if they have not already. She is familiar with the Senior Villas and suggested possible methods of notifying those residents, such as through their

community rooms, the foyer area or manager's office. She added that Dial-A-Ride also services those residents and does not want to see a missed opportunity there as well.

Director Thompson remarked that all the property owners received notices, but renters are typically not included in the mailings.

Commissioner Conaway said those residential areas comprise about 300 to 400 people within walking distance and would be a valuable customer base to include.

Commissioner Paralusz said the developer should consider installing additional electrical vehicle charging stations since there already seems to be a precedent. If stations already exist on one side, then it would seem they should be installed on the other side.

Commissioner Gross said the developers seemed to have gained support from the Manhattan Village residents, at least in the form of getting them to appreciate the dialogue exchange and the relationship they have developed. He urged the developers to establish the same connection with Oak Avenue residents because those residents have the ability to slow the project down.

Chairperson Andreani thanked those who attended the first and second meetings and commended City staff. She assured that all of the concerns brought forth will be addressed by staff, the Planning Commission and City Council. She also thanked RREEF for starting an important dialogue five years ago that she considers very beneficial and only increasing from here. She acknowledged that the communication is on track, but expressed disappointment over the current drawings being very similar to the ones presented June 27th. She said many of the same problems exist. She suggested developers prepare a scaled three-dimensional model that shows building height, parking structures, pedestrian pathways, car lanes and landscaping.

A Strategic Plan would also be beneficial, but she respects the privacy issues in revealing trade secrets. She was under the assumption that the mall would primarily draw its customer base from the 90266 area, but now understands it is to include Hermosa and Redondo Beach cities. She remarked that Fry's does not seem like an undesirable tenant as the property owners might suggest, aside from the parking, egress and ingress issues. She agrees with the need to keep residents shopping locally and recognized the mall's effort in trying to accomplish that goal. She would also like to see movie going experience remain local if possible.

Chairperson Andreani also remarked on the northwest corner retail façade on the parking structure. She said it was disappointing and she would prefer to see actual stores rather than just a frontage. She stressed the importance of making that corner an attractive gateway to the city.

She said another traffic study seems necessary because the current traffic situation is already failing and adding any additional pressure, no matter how minor, would make it that much worse. She also would like to revisit concerns relating to the construction access and staging area being located so close to Manhattan Village residents, that maybe the developer can mitigate those problems. The potential soil hazards also concerns her and she said a soils test at the site should be conducted. She noted that renters living near the project in the two Senior housing projects are also important and it is necessary to reach out to them. She said the pedestrian access through the mall is adequately addressed in a north and south direction, but not east and west.

She also directed staff to further explain how the equivalency program impacts the overall design. She added that with an increase of a little over 123,000 square feet, that equates to a

21.6 percent increase for the mall. She said there could be significant consequences if the program is permitted and enlarges the mall by 23.3 percent.

Commissioner Ortmann asked Director Thompson about the issue of soils mitigation and if a presentation on that issue can be given at a later date. He said he is curious if soils experts would conclude that a passive approach is in fact safer than cleaning and mitigating the site now. He confirmed with Director Thompson that the traffic consultant, Gibson Transportation, is in fact under contract with the City. Commissioner Ortmann said he is comfortable with the traffic numbers generated by Gibson Transportation and does not feel a second traffic study is necessary. He said they have an outstanding reputation that speaks for itself. He also acknowledged that traffic will get worse even though Cal Trans has plans to widen Sepulveda Boulevard. The widened lanes will actually increase traffic rather than enhance it regardless of the developments taking place at the mall and El Segundo.

Director Thompson added that the City Traffic Engineer is also involved in the review process.

Commissioner Conaway said it is difficult to understand how if you are increasing the size of a project by 21 percent then how does traffic not also increase by 21 percent. If the calculations are wrong and traffic does increase by 21 percent, it still represents only a 0.5 percent increase to traffic on Sepulveda and is a drop in the bucket. That figure should not have a significant impact, but at the same time he noted it will not be pretty.

Commissioner Ortmann added that cumulatively it will not make much of a difference.

Commissioner Paralusz pointed out that the purpose of the project was not to decrease traffic, but to also not exacerbate congestion.

Commissioner Conaway agreed, but noted that developers can at least improve pedestrian and bicycle traffic.

Director Thompson said this project will actually make a noticeable difference in improving traffic circulation. He said the focus so far has been on the negative impacts when the reality is there will be enhanced traffic flow. He explained this would be accomplished by Fry's being gone and putting in place the new entries and exits. By eliminating left turns on Rosecrans in and out of the Fry's driveways, he said it will make a difference in how traffic circulates in that area. The numbers provided by Gibson Transportation on traffic flow inside and outside of the property currently show Fry's is a nightmare, he said. Being able to connect the two parcels and replace it with diversified types of uses will attract a different type of shopper who will make multiple trips to different types of stores all in one trip.

Commissioner Conaway asked Director Thompson if he knew El Segundo's phase two plans in terms of entries and exits, and if the City has coordinated with them.

Director Thompson said the El Segundo project is having challenges with access off of Rosecrans Avenue. El Segundo Plaza would like to implement a left-hand turn access from Rosecrans Avenue into their project going east bound. Director Thompson said the City cannot approve that because the corner is already severely congested. The El Segundo project is currently looking at alternatives to those entry points.

Chairperson Andreani decided the parking study prepared by Gibson Transportation was comprehensive enough in looking at the 13 different intersections. She acknowledged that this project will affect traffic and is looking for additional comments from the City Traffic Engineer in mitigating those circumstances.

Director Thompson said all the comments from the last meeting and current meeting are all being documented. The EIR consultants are also working on responses to those concerns and he said Commissioners should expect answers to all their questions at the next meeting. The soil issues, however, may require separate presentations because of the complexity and scale of the topic. The consultants will be able to give a more comprehensive understanding in what they are proposing and discuss the various available options.

Commissioner Paralusz agreed that those issues warrant separate presentations because people have raised concerns in those areas and it would be particularly helpful to those who do not want to read the very large EIR themselves.

Director Thompson explained that a reason for there being so little alterations in the most recent drawings was because the developer wanted to hear what the Commissioners had to say first before making any major changes.

Commissioner Gross said it might be helpful and important for residents to understand the contribution the mall presently makes to the City's tax base and what the effects are there if the project does not go forward. In going over the bar charts and industry data, he said the numbers for the mall average \$400 per square foot a year. Their lower number was under \$300 or close to \$250 per square foot a year. A failed mall is considered \$250 per square foot a year and will not survive. The numbers on the high end looked very conservative and he said the mall should be pushed on this because they have their numbers coming slightly down. Commissioner Gross noted that these factors are important to the City because it relates to the kinds of customers and the kinds of stores the mall will attract. This in turn benefits the City financially and makes for an enhanced shopping experience.

Director Thompson said the City hired an economic consultant for this project to help better understand the economics of the development. He added that the mall is an extremely important asset to the City and residents. An economic presentation would be beneficial to the Commission.

In response to a question from Commissioner Paralusz, Director Thompson said the next meeting date depends on the applicant and how quickly they can put the information together and submit to the City. He expects the EIR to be completed soon and once that is obtained along with all the other necessary information, then he will schedule the next meeting.

In response to a question from Commissioner Conaway, Director Thompson confirmed that the Commissioners have provided everything needed at this point.

Chairperson Andreani commented on how exciting this project is for the City.

5. DIRECTORS ITEMS

None.

6. PLANNING COMMISSION ITEMS

Manhattan Beach Hometown Fair.

7. TENTATIVE AGENDA October 10, 2012

The October 10, 2012 meeting has been cancelled.

8. ADJOURNMENT

The meeting was adjourned at 10:12 p.m. to Wednesday, October 24, 2012, in the City Council Chambers, City Hall, 1400 Highland Avenue.

ARIANA KENNEDY and
ANGELA SOO
Recording Secretaries

ATTEST:

RICHARD THOMPSON
Community Development Director