

**CITY OF MANHATTAN BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

TO: Planning Commission

THROUGH: Richard Thompson, Director of Community Development

FROM: Laurie B. Jester, Planning Manager

DATE: March 13, 2013

SUBJECT Presentation on the Manhattan Village Shopping Center Enhancement Project located on the east side of Sepulveda Boulevard between Rosecrans Avenue and Marine Avenue.

RECOMMENDATION

Staff recommends that the Planning Commission **ACCEPT THE PRESENTATION, TAKE PUBLIC COMMENTS, AND PROVIDE COMMENTS ON THE PROPOSED PROJECT.**

PROPERTY OWNERS

RREEF America REIT II Corporation BBB
1200 Rosecrans Avenue, Suite 201
Manhattan Beach, CA 90266

3500 Sepulveda LLC-(Hacienda Building)
Bullocks USA, Inc.-(Macy's)

APPLICANT

RREEF America REIT II Corporation BBB
1200 Rosecrans Avenue, Suite 201
Manhattan Beach, CA 90266

BACKGROUND

On November 7, 2006 RREEF submitted a Master Use Permit amendment and Variance, for building height, for a remodel and expansion of the Manhattan Village Shopping Center. Revised applications, plus a Sign Exception/Program and Development Agreement were recently submitted also, although subsequently the Development Agreement was withdrawn. The applications also require the preparation of an Environmental Impact Report (EIR) in accordance with the requirements of the California Environmental Quality Act (CEQA). Over the past six 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.

On February 12, 2009, the City held a public Scoping Meeting to introduce the project to the community, and provide an overview of the project and the CEQA process. The 45 day public review and comment period for the Draft EIR was June 7, 2012 to July 23, 2012. The consultants are now in the process of preparing the Final EIR.

A Planning Commission public hearing was held on June 27, 2012 to provide an overview of the project. A second public hearing was held on October 3, 2012 as an opportunity for public and

Commission input. Since that time staff has continued to meet with the applicant and their team to refine the project and address design and other issues that have been raised through the public process. Tonight's meeting is an opportunity for the public and Commission to again provide input; no final decisions on the project will occur at tonight's meeting.

DISCUSSION

The attached staff report from October 3, 2012 (Attachment A) provides an overview of the project. Since that meeting RREEF has met with a number of neighborhood groups and has explored options to address the concerns raised by the public, Planning Commission and staff through the public process. Tonight RREEF would like the opportunity to address those concerns. A representative from Murex Environmental will provide a presentation on the soils, methane and hazards on the site. RREEF and their parking consultant will provide a presentation on options for the Village Shops parking structures and other design options for the site. The applicant will also be presenting more details on the proposed pedestrian, bicycle, and transit plans.

Public comments

Comments on the Draft EIR that were received from about 45 residents, agencies, surrounding Cities, business owners and other members of the public, and are summarized in the October 3, 2012 staff report (Attachment A). Additionally, comments received at the October Planning Commission meeting are detailed in the minutes from that meeting (Attachment B). The comments received at that meeting were similar to those provided on the Draft EIR. In general the comments focused on the following areas:

- Size-Regional Draw**
- Traffic**
- Mobility (Bicycles, Pedestrians, Transit)**
- Parking structures**
- Northwest corner design**
- Lighting**
- Crime**
- Hazardous soils**
- Construction impacts**

Public review

Notice of tonight's Planning Commission meeting was published in the paper, mailed to all property owners within a 500 foot radius, and e-mailed to interested parties. A Final EIR is in the process of being prepared that includes all the comments on the DEIR and responses to those comments as well as any changes or additions to the project. Noticed public hearings on the Final EIR, Master Use Permit, Variance, Master Sign Permit and Sign Exceptions before the Planning Commission and City Council will be required. Planning Commission public hearings on the project are anticipated to be scheduled in the near future when the Final EIR is completed.

The Draft EIR document is available to the public for review at the following locations:

- 1- City of Manhattan Beach, Community Development Department
- 2- County of Los Angeles Manhattan Beach Public Library
- 3- City of Manhattan Beach Website: <http://www.citymb.info/index.aspx?page=1629>.

CONCLUSION

The purpose of tonight's meeting is to provide a status report on the project to the Commission and the community, and provide an opportunity for questions and comments. Staff recommends that that Planning Commission accept the presentation, take public comments, and provide comments on the proposed project.

Attachments:

- A. Staff report Planning Commission October 3, 2012
 - B. Minutes Planning Commission October 3, 2012
- c: Chuck Fancher, Fancher Partners, LLC
Mark English, RREEF
Stephanie Eyestone-Jones, Matrix Environmental
Pat Gibson, Gibson Transportation Consulting

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**CITY OF MANHATTAN BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

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THROUGH: Richard Thompson, Director of Community Development

FROM: Laurie B. Jester, Planning Manager

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BACKGROUND

On November 7, 2006 RREEF submitted a Master Use Permit amendment and Variance, for building height, for a remodel and expansion of the Manhattan Village Shopping Center. Revised applications, plus a Sign Exception/Program and Development Agreement were recently submitted also. The applications also require the preparation of an Environmental Impact Report (EIR) in accordance with the requirements of the California Environmental Quality Act (CEQA). Over the past six 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. RREEF is the applicant and the main property owner. The other two property owners, 3500 Sepulveda and Macy's, have signed affidavits consenting to the filing of the applications by RREEF.

On February 12, 2009, the City held a public Scoping Meeting to introduce the project to the community, and provide an overview of the project and the CEQA process. Matrix Environmental is preparing the EIR under the management of City staff and Gibson Transportation Consulting is a sub consultant to Matrix and is preparing the Traffic Impact analysis. The 45 day public review and comment period for the Draft EIR was June 7, 2012 to July 23, 2012. The consultants are now in the process of responding to all of the public

comments on the Draft EIR for incorporation into the Final EIR. The Final EIR will include all the comments and responses, a mitigation monitoring program; and changes or additions that have been made to the project since the Draft EIR was written. After the Final EIR is completed the document will be available for public review and comments at noticed public hearings.

A Planning Commission public hearing was held on June 27, 2012 to provide an overview of the project to the community and the Planning Commission. Since that time staff has continued to meet with the applicant and their team to refine the project and address design issues. Future noticed public hearings on the Final EIR, Master Use Permit, Variance, Master Sign Permit and Sign Exceptions, and Development Agreement before the Planning Commission and City Council will be required. Planning Commission public hearings on the project are anticipated to be scheduled this fall, with City Council meetings anticipated later in the year. Tonight's meeting is an opportunity for the public and Commission to again provide input; no final decisions on the project will occur at tonight's meeting.

DISCUSSION

Overview

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 420,247 square feet of retail uses, 65,734 square feet of restaurant uses, a 17,500 square foot cinema (closed at the end of May 2012), 36,151 square feet within six banks, 11,527 square feet of office uses, and approximately 21,678 square feet of medical office uses for a total of approximately 572,837 square feet. When accounting for common areas, the buildings include approximately 614,151 square feet. There are currently 2,393 surface parking spaces on the site. An additional 210 shared parking spaces are available off-site on the City-owned parking lot to the east of the Center, however these are not included in the Shopping Centers parking analysis.

The proposed Project would involve an increase of approximately 123,672 square feet of net new retail and restaurant area (approximately 194,644 square feet of new and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema) within an approximately 18.4 acre development area within the Shopping Center site. Of the 194,644 square feet of new area, up to approximately 25,894 square feet would be used for restaurant uses, while up to approximately 168,750 square feet would be used for new retail uses. When accounting for existing development on the Shopping Center site, upon Project completion, the Shopping Center site would include a total of approximately 696,509 square feet of area.

In addition, an equivalency program is proposed as part of the Project that provides flexibility for the exchange between land uses currently permitted by the existing Master Use Permit for the Shopping Center site based on p.m. peak traffic equivalency factors. With implementation of the equivalency program, a maximum of 133,389 square feet of net new area (approximately 204,361 square feet of new and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema) could be developed within the Development Area for a total of up to 706,226 square feet of area.

The proposed Project would also include new on-site parking structures and surface parking areas that would provide at least 4.1 parking spaces per 1,000 square feet of area to accommodate the new uses. Heights of new shopping center buildings and parking facilities would range from 26 feet to up to 42 feet.

Public comments

Comments on the Draft EIR were received from about 45 residents, agencies, surrounding Cities and business owners, other members of the public, and the Planning Commission provided comments. The following briefly summarizes those comments. Each comment provided during the Draft EIR public comment period will be responded to individually in the Final EIR. Comments that relate more to land use issues will be addressed through the Master Use Permit Amendment, Variance, Master Sign Permit and Sign Exceptions, and Development Agreement. Since the June 27th meeting, RREEF met with a group of residents from Oak Avenue and surrounding streets and they will provide information on that discussion. RREEF will provide a comprehensive presentation on the status of the project at the Planning Commission meeting.

Size-Regional Draw

Some of the public felt that the Mall would be too large, and not serve Manhattan Beach residents, but be designed to be more regional-serving.

Traffic, Mobility (Bicycles, Pedestrians, Transit) and Parking structures

The vast majority of the comments received focused on this topic. An increase in traffic congestion on Sepulveda, Marine and Rosecrans, which are already heavily impacted, and anticipated to be further impacted with Phase II of Plaza El Segundo, was expressed. Traffic impacts on smaller surrounding streets, Village Drive with deliveries and as a new major entrance, as well as Cedar, was noted. Potential impacts to the residential neighborhood west of Sepulveda were raised as a concern, specifically an increase in cut-through traffic on Oak and Elm Avenues, and traffic at the curve at Ardmore and 33rd Street. Construction traffic, parking, noise and dust impacts to Village Drive and neighboring properties was noted. Comments indicated that adding 500 new parking spaces will generate more traffic, parking spaces should not be compact, and that parking phasing may not be adequate.

Many comments related to the proposed parking structures were received, indicating that parking should be underground since it would be safer and more attractive. Concerns cited with above ground structures included an increase in crime, unsightly, too tall, massive, out of scale and unattractive, sound problems with noise bouncing off structures, air pollution, visible to Oak Avenue residents, attracting vagrants, and teens congregating and using for illegal activity and as a skateboard ramp.

The importance of alternative transportation to draw people to the site, and to be able to circulate safely and efficiently throughout the site was noted. Comments indicated that pedestrian, bike and transit circulation should be encouraged, enhanced, integrated externally and internally, including the east (rear) and south, and particularly with Veterans parkway and surrounding neighborhoods. The public felt that transit stops, more bike parking, and a Green line/Mall shuttle should be provided on-site. Implementation and integration with the South Bay Bike Master Plan was noted as important, as well as improving pedestrian safety

in front (Cedar Way) of Ralphs and the south end of mall, which will worsen with increased traffic.

Caltrans provided a number of comments related to Sepulveda Boulevard as it is a State Highway under their jurisdictions. They indicated that a longer deceleration lane at Fashion Boulevard, south of the existing Fry's driveway, is needed. The City Engineer has indicated this will require expanding the bridge widening project which is currently in the design phase with construction anticipated in Spring 2014. Caltrans requested ADA accessible sidewalks, the installation of Intelligent Transportation Systems (ITS), synchronized and upgraded signals, more Transportation Demand Management (TDM) information, and limiting construction traffic to off-peak times.

The City of El Segundo and commercial property owners along Rosecrans Avenue had a number of comments including requests that the EIR use an updated, not 2009, related projects list, provide more counts in El Segundo including morning and midweek midday counts, use Caltrans traffic estimates not actual traffic counts, and use 2011 not 2008 traffic counts. They felt that since Plaza El Segundo had provided improvements on Rosecrans that RREEF needs to also do their fair share to address cumulative impacts. They requested that land be dedicated for future road widening and improvements on Rosecrans and Sepulveda. There was a concern that over 500 new parking spaces will increase traffic. It was requested that the Construction Management Plan be reviewed by surrounding jurisdictions and owners and that impacts to MTA lines be addressed.

Lighting

A number of concerns were raised regarding the lighting for the site, particularly on top of the parking structures. Light spillover and visibility from off-site areas due to the use of tall light standards instead of wall-mounted lights on top of the structures was cited as an issue.

Crime

There were concerns expressed that a larger Mall, a more regional draw, and more high-end shops will increase crime. Concerns were raised with the parking structures providing an opportunity for increased crime as well as in the underground "tunnel-like" parking in the old railroad right-of-way culvert.

Hazards

Hazards mitigation was suggested including providing an active methane extraction system, on-site contamination clean up, assurance that there is no future health risks due to site contamination, infiltration on the site where there is no contamination and more recent environmental soil investigation data. Staff and the consultant team have met with the Regional Water Quality Control Board and discussed these issues and they will be further responded to in the Final EIR document and at future hearings after the Final EIR is complete.

Miscellaneous

A variety of other comments were also presented by the public including concerns with the overall visual impacts of the project, the increase in mass, height, bulk; with both the

buildings and signs being too large, massive. Comments indicated that the northwest corner at Sepulveda and Rosecrans should be redesigned to be activated with possible retail on top of the parking structure, to draw and tie in pedestrian and bicycle linkages, provide internal and external integration, and be inviting instead of just a parking structure. Regarding sustainability, comments indicated that standards for landscaping, stormwater, greenhouse gases and LEED should be exceeded, not just meeting the minimum requirements. Consideration for providing electric vehicle charging and solar panel “trees” was suggested. There was concern about losing significant revenue from Fry’s and there being a poor tenant mix which does not meet demographic needs with smaller tenants being desired. There were suggestions to provide a larger community meeting room, support for senior citizens, a cell tower for Village Homes reception, a package holding and delivery, and a new movie theater. Concerns with construction, parking, and noise impacts to existing Mall businesses was cited.

Public review

Notice of tonight’s Planning Commission meeting was published in the paper, mailed to all property owners within a 500 foot radius, and mailed to interested parties. A Final EIR is in the process of being prepared that includes all the comments on the DEIR and responses to those comments. Noticed public hearings on the Final EIR, Master Use Permit, Variance, Master Sign Permit and Sign Exceptions, and Development Agreement before the Planning Commission and City Council will be required. Planning Commission public hearings on the project are anticipated to be scheduled in the Fall.

The Draft EIR document is available to the public for review at the following locations:

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CONCLUSION

The purpose of tonight’s meeting is to provide a status report on the project to the Commission and the community, and provide an opportunity for questions and comments. Staff recommends that that Planning Commission accept the presentation, take public comments, and provide comments on the proposed project.

Attachments:

- A. Minutes Planning Commission 6-27-12
- B. Comment letter from 3500 Sepulveda, LLC dated 9-24-12

- c: Chuck Fancher, Fancher Partners, LLC
Mark English, RREEF
Stephanie Eyestone-Jones, Matrix Environmental
Pat Gibson, Gibson Transportation Consulting

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**CITY OF MANHATTAN BEACH
PLANNING COMMISSION
EXCERPTS OF MINUTES OF REGULAR MEETING
JUNE 27, 2012**

A Regular Meeting of the Planning Commission of the City of Manhattan Beach, California, was held on the 27th day of June, 2012, at the hour of 6:30 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
Recording Secretary, Sarah Boeschen

*Commissioner Ortmann arrived at 8:00 p.m.

06/27/12-3 Introduction and Overview of 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 mall to a more current design.

Planning Manager Jester summarized the staff report, and provided a power point presentation with an outline of what the various presenters would be reviewing tonight.

Mark English, representing RREEF, commented that they 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 Plaza El Segundo; 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 pointed out that the project would not require any funding from 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 \$270,000,000.00. He indicated that they would like to create a gateway to Manhattan Beach. 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 RREEF strives for LEED certification for all of its new development projects. He commented that there is a need to improve the circulation and access for 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 the site 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.

In response to a question from Commissioner Paralusz, **Mr. English** said that the City's annual tax revenue from the center is currently approximately \$2,700,000.00.

Mr. English 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. 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, which would allow customers to quickly find convenient parking. He indicated that they are planning to use a landscaping berm off of 33rd Street next to California Pizza Kitchen to eliminate outbound traffic in order to improve the traffic flow.

Mr. English commented that other locations of Fry's stores are more profitable, as they are larger and have a lower rent than in Manhattan Village. He indicated that they do not know whether Fry's intends to stay in their current location after their lease expires in 2016.

In response to a question from Commissioner Paralusz, **Mr. English** said that the decision regarding renewal of the lease will be a mutual negotiation between RREEF and Fry's. He said that the existing Fry's building is obsolete and does not meet the needs of many retailers. He indicated that they believe it is highly unlikely that the building will remain in its configuration after the lease for Fry's expires. He said that the intent is to create an open air outdoor center. He commented that they would like to attract the type of tenants that would be desired by residents of the City.

In response to a question from Commissioner Conaway, **Mr. English** indicated that the majority of customers at the center live in Manhattan Beach. He said that they are not attempting with the project to greatly expand and become more of a regional draw.

Stephanie Eyestone-Jones, representing Matrix Environmental, stated that the intent of CEQA (the California Environmental Quality Act) is to inform City decision makers and the public regarding potential environmental impacts of a project; to reduce potential environmental impacts; to encourage coordination between agencies; and to encourage public participation. She commented that CEQA does not apply to projects that are approved administratively. She said that the initial study to determine potential significant impacts for the project was begun in 2009 which determined that an EIR was warranted. She commented that a Notice of Preparation was sent to the public within a 500 foot radius of the site and agencies throughout Los Angeles County. She indicated that the comment period for the Notice of Preparation began on January 29, 2009, and ended on March 2, 2009. She stated that there was a scoping meeting during the public review period where people were invited to learn more about the project and provide input on the draft EIR. She indicated that the draft EIR was recently released. She commented that the public review period for the draft EIR started on June 7 and will end on July 23rd. She indicated that notice of the draft EIR review period went to everyone who participated in scoping meetings; everyone who commented at the scoping meeting; and to property owners within 500 feet of the subject site. She stated that the final EIR will include responses to the comments that have been received; a mitigation monitoring program; and changes or additions that have been made to the project since the draft EIR was written. She indicated that several meetings will take place before the Commission and City Council after the final EIR is completed. She commented that the Mayor will sign the Development Agreement Ordinance if the project is approved, which will be followed by a Notice of Determination.

Ms. Eyestone-Jones indicated that the EIR contains a summary; project description; impact analysis; and analysis of project alternatives. She stated that the EIR also includes impacts and mitigation measures; impacts found not to be significant; and references. She indicated that the

draft EIR evaluates issues regarding aesthetics; air quality including greenhouse gas emissions and hazardous materials; hydrology; land use; noise; fire protection; police protection; traffic; access to parking; water supply; and waste water. She indicated that they have determined through the analysis that the project would not result in significant environmental impacts. She pointed out that mitigation measures are included in the draft EIR for many of the issues. She indicated that there is a chart of the topics that require mitigation measures included with the summary of the EIR.

Director Thompson pointed out that the entitlement process will not yet be completed when the EIR is finalized and approved. He said that there will still be opportunities for the public to provide comments even after the EIR is finalized through the Use Permit process.

Sarah Drobis, representing Gibson Transportation, 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. She indicated that their study analyzed 13 intersections including driveways that access the site along Sepulveda Boulevard, Rosecrans Avenue, and Marine Avenue. She commented that they looked at the intersections that carry a high volume of traffic during peak periods. She said that they focused on the weekday afternoon peak hour traffic and mid-day Saturday peak traffic. She said that the traffic counts were conducted in 2009, and updated counts were done in 2010 and 2011. She indicated that the traffic forecasts from 2009 far exceeded the actual traffic counts taken in 2011. She said that they also looked at traffic counts taken during different times of the year. She indicated that they looked at traffic in summer and non-summer months.

Ms. Drobis commented that they looked at several configurations of the Fry's driveway on Rosecrans Avenue. She said that the driveway further to the east on Rosecrans Avenue is proposed to be moved further west. She commented that the existing shopping center generates approximately 2,351 trips during the peak hour. She said that the total project as proposed would generate approximately the same number of trips as the existing uses in the center. She indicated that the cinema and Fry's uses generate twice the amount of traffic as the typical shopping center use. She commented that the greatest traffic impact would occur when the northeast corner of the site is developed. She indicated that they determined that there would be no significant impacts resulting from the project during peak hours. She commented that the applicant is dedicating right-of-way for a Sepulveda Bridge widening project to allow for continuation of a travel lane. She said that a deceleration lane is proposed along Rosecrans Avenue to allow for better access to the center from Rosecrans Avenue. She commented that improvements are also proposed to the entry point to the center from Cedar Way. She commented that separate bicycle and pedestrian connections are proposed for Veterans Parkway. She said that internal circulation improvements are proposed. She stated that there is a construction management plan proposed as part of the project to minimize the impacts of construction including parking for construction workers and construction vehicle traffic.

Ms. Drobis indicated that the project would provide a clearer pedestrian path to connect different parts of the center. She said that a pedestrian circulation improvement plan is proposed as part of the project to enhance pedestrian safety and improve ADA access. She said that the proposal would provide a better connection of the Fry's parcel to the shopping center. She indicated that the bicycle parking facilities are proposed to be increased by 140 spaces throughout the center. She commented that there currently are 2,393 parking spaces in the center which is proposed to increase to 2,935 parking spaces. She indicated that the applicant is proposing to maintain the existing 4.1/1000 square foot parking ratio. She stated that the parking demand would be met during construction. She commented that a parking management plan is proposed as part of the project which would include measures to address

parking for construction workers. She said that the construction management plan would also have provisions for staging of construction equipment on public streets.

In response to a comment from Commissioner Ortmann, **Ms. Drobis** indicated that they wanted to be certain that the existing parking ratio would be maintained for the shopping center with the proposed addition of square footage. She said that the goal is to reduce the parking demand further by providing better pedestrian and bicycle access.

Ms. Drobis commented that the project would not result in a significant impact to traffic or parking for the center; construction would be scheduled to meet the parking demands and maintain the existing parking ratio; and internal as well as external circulation improvements are proposed be included as part of the project.

In response to a question from Commissioner Gross, **Ms. Drobis** indicated that providing a separation between bicycle, pedestrian, and vehicle traffic would be a project design issue and not included as part of the environmental review.

Director Thompson stated that the suggestion of Commissioner Gross regarding separation of vehicular, bicycle, and pedestrian traffic will be addressed in the project even if it is not addressed as part of the EIR.

Commissioner Gross requested that lighting be added at the parking deck over the railroad right-of-way at all times. He suggested that the area underneath the Sepulveda Bridge be incorporated with the plan for bicycle and pedestrian traffic.

In response to a question from Commissioner Gross, Planning Manager Jester said that there is a mitigation monitoring program. She indicated that all of the conditions that are included in the monitoring program are addressed through plan check, construction, or during operations. She commented that the applicant will work with the City to make sure the conditions are met.

Commissioner Paralusz said that there is a great deal of information in the executive summary included with the EIR regarding potential impacts to the air, water, emissions, odors, and surface water quality. She asked at what point those issues would be addressed in more detail as part of the discussion of the project.

Director Thompson pointed out that there will be several hearings regarding the project with opportunities for questions. He indicated that staff can have experts provide further information if requested by the Commission.

Chairperson Andreani said that she would like further information regarding the increase of 974 metric tons of carbon dioxide that would be released as indicated in the report. She asked regarding the extent that the increased emissions would be considered significant beyond the amount currently being emitted. She said that she would like further information regarding the standard for greenhouse gas emissions and the impact of increasing emissions. She commented that it would seem the goal should be to reduce emissions. She commented that she would anticipate that there would be questions that arise regarding the increase in emissions that would result from the project.

In response to a question from Commissioner Conaway, Planning Manager Jester said that the height methodology used by the City does not work well for large sites along the Sepulveda Boulevard corridor. She indicated that the Code allows a height limit of 22 feet for buildings with a flat roof and a height limit of 30 feet for buildings with a sloped roof or with parking structures. She stated that there is not enough height to accommodate two levels for a large

department store with the maximum height limit established in the Code. She said that a height Variance has historically been granted for the site, and the proposal is to match the existing heights. She commented that the Macy's store has a maximum height of 42 feet. She stated that the heights will be addressed in detail through the Variance process.

In response to a question from Commissioner Conaway, **Ms. Eyestone-Jones** said that there has been an analysis of the permeable surfaces that would be included with the proposal. She pointed out that there are current regulations for addressing storm water runoff that will apply to the new development which did not apply to the original development. She indicated that the amount of permeable surfaces remains about the same as existing with the new development, but the water quality would improve with the project.

In response to a question from Commissioner Conaway, **Ms. Eyestone-Jones** indicated that there would be an increase in carbon dioxide emissions from the project. She indicated, however, that sustainability features are included as part of the project. She stated that the analysis determined that the increase of emissions would be a less than significant impact. She said that the emission of greenhouse gasses would not be reduced by the project, but the thresholds for greenhouse gasses would not be exceeded.

Commissioner Paralusz commented that there is a lack of continuous sidewalks along the back side and the western portion of the site. She suggested that a pedestrian walkway be extended along the outer edge of the parking lot.

Commissioner Ortmann said that he does not see that the project provides any improvement to mass transit access to the site.

Mr. English said that providing access for mass transit would require changes to the site plan. He indicated that they can look at the possibility of providing access for mass transit. He commented that making the site more accessible by mass transit would reduce the amount of traffic and parking congestion at the site.

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

In response to a question from Commissioner Gross, Planning Manager Jester said that there is no proposed change from the approved uses in the original Master Use Permit.

In response to a question from Commissioner Gross, Planning Manager Jester indicated that the 4.1 parking ratio is a composite of all of the restaurant, retail, and office uses in the center. She stated that there currently is a cap on the amount of square footage for restaurant uses that are permitted for the center, and an increase beyond the maximum cap would require additional parking.

In response to a question from Chairperson Andreani, Planning Manager Jester said that Macy's and the Hacienda Building are under separate ownership from the rest of the center and the Hacienda building and Fry's have separate Use Permits. She indicated that the Fry's property was previously under separate ownership but now is owned by RREEF. She said that the permit for the Hacienda Building incorporates the Master Use Permit for the mall, although it allows them separate restaurant and alcohol uses. She said that the entire site everything will be included under the new Master Use Permit, EIR, Variance and Sign Program/Exception.

In response to a question from Chairperson Andreani, Planning Manager Jester said that the project would require a Sign Exception, as the permitted height, square footage, and number of

signs would be exceeded. She stated that there currently is a Sign Exception and a Sign Program for the center that would be modified with the proposal.

Chairperson Andreani opened the public hearing.

Audience Participation

Alan Bloom, a resident of Park Place, said that he would like to know about the impact that the project would have to traffic at the intersection of Village Drive and Rosecrans Avenue. He commented that he is concerned with Village Drive becoming a major intersection with a great deal of traffic and noise.

Chris Prodromides, a resident of the 3100 block of Oak Avenue, indicated that they are concerned that the project would be so large in order to be competitive that it would attract a large number of people from other areas and would increase traffic and pollution. He commented that they are concerned with the addition of large parking structures and taller buildings. He stated that they also have a concern with light pollution at night and noise bouncing off of the tall parking structures and coming into the adjacent neighborhood. He is concerned with pedestrian safety, and feels it is unsafe in front of Ralph's already. He said that the intersection of Rosecrans Avenue and Sepulveda Boulevard would become more congested with the project. He indicated that more people will cut through on the adjacent streets in the residential areas on Oak to avoid traffic on Sepulveda Boulevard, more than they already do. He said that they are also concerned with an increase in crime resulting from the proposed expansion of the mall, particularly in the tunnel underground parking. He commented that additional high-end shops would make the mall a greater target for crime. He said that they appreciate that the existing mall is small and serves the local community rather than being a regional draw. He is concerned with air, light and noise pollution.

Marilynn Holcomb, a resident of the 1000 block of 33rd Street, said that they want additional lighting in order to provide for safety but would not want not to have it shining into their homes. She commented that they are concerned about security with increasing the use of the walkway and bikeway from Veterans Parkway. She stated that they are also concerned that the project would result in an increase of traffic from Ardmore to 33rd Street, in the area they call "dead mans curve". She indicated that the residents enjoy having a smaller community shopping center and would not want it to become more of a regional draw. She asked whether the impact that would result from the second phase of the El Segundo project is addressed in the EIR.

Bill Victor, a Manhattan Beach resident, said that the existing shopping center is beautiful, although it perhaps could be updated. He pointed out that a police officer was killed at the mall by someone from outside of the local area, and security at the center is a concern. He commented that the expansion of the mall would attract more people from other areas. He said that the charm of the existing center is that it is smaller and accessible. He said that the addition of parking garages and additional shopping area would increase traffic and congestion. He indicated that local residents may choose not to shop at the center if it becomes larger and extremely congested. He said that the mall should not become a destination point for people from other areas. He commented that the City should maximize and enjoy the benefits of having a small town atmosphere, and we should keep the theater.

Faith Lyons, a resident of the 500 block of 33rd Street, pointed out that there was a great deal of concern when the Metlox development was being proposed that it would be too large, but it ended up turning out very well, and the underground parking is very safe.

Robin Gohlke, a resident of the 3200 block of Oak Avenue, commented that the largest concern that has been expressed regarding the project appears to be the addition of parking garages. It is big ugly walls and the sound will bounce off of it. She pointed out that the parking garage for the Metlox development is underground rather than a structure above ground.

Steve Packwood, a resident of the 3100 block of Oak Avenue, agreed with his neighbors that the mall should be kept small and community oriented. He indicated that more lighting for larger buildings as proposed would impact the adjacent residents. He indicated that there are minimum security problems with the existing outdoor parking area. He said, however, that the addition of four high rise parking structures as proposed would result in more crime. He commented that he is glad that a security plan is included as part of the project, and he suggested that it be very detailed. The parking garages are tall, plus have tall lights on top and sound will bounce off the sides of the garages.

Chairperson Andreani closed the public hearing.

Commission Discussion

Director Thompson encouraged members of the public who are interested to look at the information about the EIR on the City's website. He said that the issues of parking, traffic, and noise are addressed in the EIR. He said that there has been a great deal of analysis regarding traffic and the impact to the adjacent neighborhood. He commented that there have been many discussions regarding the impact that the project and the Plaza El Segundo project would have to the intersection of Rosecrans Avenue and Sepulveda Boulevard. He said that the website also includes pictures, elevations, and site plans. He indicated that all interested parties are also invited to attend the future hearings and meetings regarding the proposal.

Chairperson Andreani asked if there are any plans to possibly open an independent theater on the site.

Mr. English commented that it was not the decision of RREEF for the Pacific Theaters to close. He commented that the loss of the theater was one of the driving factors in redesigning the site. He said that the proposal is to add predominantly retail uses and some restaurant uses.

Chuck Fancher, representing RREEF, said that films could not be distributed to a new theater use in Manhattan Village because of the close proximity to the Arclight site in Manhattan Beach, which has a higher volume of customer so they get the best movies and more of the new releases on opening days.

Mr. English commented that they have noted the comments of the Commissioners and members of the public who have spoken at the meeting. He said that they intend to continue to collaborate with the community and staff on the project. He commented that they have noted that a number of residents from Oak Avenue are present at the hearing, and they are happy to meet with any residents regarding their concerns.

Commissioner Paralusz thanked staff, the consultants, and the members of the public who spoke at the hearing regarding the project. She commented that there is not often the opportunity to develop such a large site. She indicated that she is excited about the project provided that it addresses the concerns that have been raised. She stated that she also shares the concerns of the adjacent residents regarding parking, traffic, aesthetics, and security. She said that there is a concern that the project would change the small town feel of the community. She suggested that anyone who has an interest in the project read the executive summary of the

EIR. She pointed out that the developer has a right to develop the property. She also pointed out that the applicant would not want a result that would lose customers. She said that the pedestrian circulation plan is important and should continue around the site, integrated internally and externally. She commented that it is an important project for the City, as the center generates a large amount of tax revenue. She encouraged residents to send questions and comments and continue to be involved in the project.

Commissioner Conaway thanked staff, the consultants, and the members of the community for participating in the hearing. He commented that now is the opportunity for members of the community to be involved with the project. He suggested that the connection of the center to the Sepulveda Bridge underpass/Veterans parkway with a walkway and bikeway be more clearly defined. He indicated that the access point from the Sepulveda Bridge should be made an "arrival point" to the center for pedestrians and bicyclists, encouraging access. He commented that providing a pathway for bicyclists through the site does not appear to have been addressed. He suggested activating the northwest corner of the site and look into the possibility of having retail uses on top of the parking structure at that northwest corner and possibly tie in with pedestrians and bicyclists. He said that he is concerned with the glare of the lighting and security issues resulting from the proposed parking structures. He pointed out that the project is a rare opportunity to address storm water mitigation for the site, and go beyond the minimum mitigation required.

Commissioner Gross commended staff and the applicant on the project and for defining the process which will allow for a great amount of input. He said that he echoes the comments of Commissioner Conaway regarding the importance of providing bicycle access, particularly at the Sepulveda Bridge. He pointed out that the Sepulveda Bridge is the only point to ride a bicycle or walk across Sepulveda Boulevard safely, and it would help the shopping center for it to be incorporated as an entry point. He was not clear on how this lower level connects up to the main mall level. He commented that opening Cedar Way to Rosecrans Avenue and making it pedestrian friendly are good objectives. He suggested that the project would be a good opportunity to widen Cedar Way and provide separate paths for vehicles, pedestrians, and bicycles. He said that he hopes the applicant is taking notes and listening to the comments that have been made at the hearing.

In response to a question from Commissioner Paralusz, Commissioner Gross said that he would leave it to the experts to determine the best method of allowing bicycles to coexist on Cedar Way with vehicles and pedestrians.

In response to a question from Commissioner Ortmann, Director Thompson pointed out that details regarding the architectural design and building elevations will come through the entitlement process. He indicated that the first stage of the project is the environmental review process. He commented that staff is receiving questions during the comment period for the draft EIR and will provide responses with the final version of the document. He indicated that public hearings for the Master Use Permit, the Variance request, and the Sign Program/Exception will follow. He pointed out that the purpose of this hearing is mainly to introduce and provide an overview of the proposal, and there is still an opportunity to raise any concerns. He indicated that he anticipates that there will be several changes to the project after the EIR is finalized.

Commissioner Ortmann commented that he feels the project is an opportunity to do something really special with the site. He indicated that he has not heard anyone opposed to renovating the center. He commented that he feels the opportunity for developing the northwest corner is lost with the current proposal. He said that the current design for the northwest corner provides an inward focus to the center rather than an inviting access point for pedestrians and bicyclists

to draw people in. He feels the entire project site needs to better integrate and relate the outside and inside of the site.

Chairperson Andreani thanked the members of the public who spoke at the hearing as well as the consultants and staff. She pointed out that there will be many opportunities for members of the public to provide comments on the project. She said that she agrees with the comments of the other Commissioners. She indicated that she does have a concern with the impact to traffic along Sepulveda Boulevard and Rosecrans Avenue resulting from the project along with the development of the second phase of Plaza El Segundo. She said that she is also concerned regarding the building height and mass of the project. She commented that the current design of the northwest corner is not inviting, but she is also is concerned with traffic at the intersection of Sepulveda Boulevard and Rosecrans Avenue. She indicated that there is a concern that there is not enough street level parking at the center; however, she has concerns with the security with the addition of four parking structures. She indicated that she would like for a clear separation to be provided for vehicle, bicycle and pedestrian traffic, and have access better integrated throughout the site. She stated that she would also like for pedestrian walkways to be provided through the center as well as around the perimeter. She said that she would like more information regarding the mitigation and impacts of greenhouse gas emissions and wastewater management. She indicated that she trusts the applicant wants to work with the community further on the project.

Director Thompson said that he expects the next hearing on the item to be scheduled for September 26, 2012. He indicated that members of the public can also follow the project on the City's website and can submit any questions or comments to staff.

- 5. DIRECTORS ITEMS**
- 6. PLANNING COMMISSION ITEMS**
- 7. TENTATIVE AGENDA July 11, 2012**
- 8. ADJOURNMENT**

The meeting was adjourned at 9:30 p.m. to Wednesday, July 11, 2012, in the City Council Chambers, City Hall, 1400 Highland Avenue

SARAH BOESCHEN
Recording Secretary

ATTEST:

RICHARD THOMPSON
Community Development Director

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September 24, 2012

Ms. Laurie Jester
City of Manhattan Beach City Hall – Chief Planner
1400 Highland Avenue
Manhattan Beach, CA 92266

Re: Manhattan Beach Redevelopment - 3500 Sepulveda Application Questions

Dear Ms. Jester:

Our property located at 3500 Sepulveda, Manhattan Beach, CA 90266 is owned by 3500 Sepulveda, LLC, 13th & Crest Associates, LLC and 6220 Spring Associates, LLC, as tenants in common (collectively, "3500 Sepulveda"). The property owned by 3500 Sepulveda is sometimes referred to as the "Hacienda Building".

3500 Sepulveda previously reviewed and consented to RREEF's proposed Shopping Center Project as depicted in Site Plans dated August 1, 2008, pursuant to a settlement agreement dated October 8, 2008, between RREEF and 3500 Sepulveda (the "Settlement Agreement"). In the Settlement Agreement, 3500 Sepulveda and RREEF agreed to cooperate in good faith with each other in the processing of the RREEF Application based on these August 1, 2008 plans, including but not limited to an amended MUP and Environmental Impact Report. In connection therewith, under separate cover we have submitted a signed affidavit authorizing RREEF to process the RREEF Application.

The purpose of this letter is to set forth some of our concerns with the RREEF Application, for inclusion in the public record and to make these concerns known in a timely fashion, among other reasons, for inclusion in the staff report and to preserve our rights with respect thereto. 3500 Sepulveda previously reviewed and consented to RREEF's proposed Shopping Center Project as depicted in Site Plans dated August 1, 2008, pursuant to a settlement agreement dated October 8, 2008, between RREEF and 3500 Sepulveda (the "Settlement Agreement"). In the Settlement Agreement, 3500 Sepulveda and RREEF agreed to cooperate in good faith with each other in the processing of the RREEF Application based on these August 1, 2008 plans, including but not limited to an amended MUP and Environmental Impact Report. However, the collective changes and amendments to the proposed expansion plans made by RREEF after August 1, 2008 materially affect the Hacienda Building, its tenants, and 3500 Sepulveda. A comparison of the Approved site plan to the current site plan is attached.

EXHIBIT B
PC MTG 10-3-12

ENVIRONMENTAL INFORMATION FORM

The Hacienda Building is not owned by RREEF as represented in the Environmental Information Form application, dated November 7, 2006. 3500 Sepulveda did not sign or authorize the filing of this Environmental Information Form application, dated November 7, 2006. We believe that the noticing to the public may be flawed since it does not have the authorized signatures of the three legal owners of property within the shopping center included in the application. At a minimum, the public noticing for this application needs to be recirculated reflecting the accurate ownership of the properties included in the application.

MASTER USE PERMIT APPLICATION

The Hacienda Building is not owned by RREEF as represented in the Master Application Form, dated November 7, 2006.

AMENDED MASTER USE PERMIT APPLICATION

3500 Sepulveda has been asked by RREEF America REIT II Corporation ("RREEF") and by the City of Manhattan Beach to execute an Owner's Affidavit to an amended MUP indicating 3500 Sepulveda's knowledge of the planned expansion of the Manhattan Village Shopping Center as set forth in the Manhattan Village Shopping Center Master Application Form prepared by David Moss & Associates, Inc., Draft 08062012 marked "DRAFT" (the "Application"). 3500 Sepulveda has signed, and under separate cover delivered, the Owner's Affidavit, subject to the conditions set forth in the cover letter accompanying said Affidavit.

As one of the owners of property within the Manhattan Village Shopping Center, 3500 Sepulveda requests, again, that it receive copies of all correspondence to or from the City concerning the shopping center and/or its entitlements.

The following sets forth our proposed corrections and clarifications to the Application:

II.1.b) This section incorrectly makes reference to a "2012 Hacienda MUP amendment". 3500 Sepulveda has MUP amendments which were issued in 2008 and 2010.

II.1.d) The Envelope Plan (Figure II-1) presents the proposed height and massing within the Enhancement Area. THIS HAS NOT BEEN APPROVED by 3500 Sepulveda and is materially different from what was approved by it in the Settlement Agreement.

II.1.g) This section proposes to revise the MVSC 2002 MUP Condition Nos. 10 and 11 of the 2002 MUP as follows:

(i) Allows up to 89,000 sq. ft. of alcohol serving restaurant uses parked at the 2002 MUP parking requirement of 4.1 spaces/1,000 GLA, and

(ii) Allows more than 89,000 sq. ft. of alcohol serving restaurant uses as long as an additional 2.6 parking spaces for every 1,000 GLA above 89,000 sq ft. are provided.

As an existing building, it is not clear whether the Hacienda Building is grandfathered and exempt from this condition (or, to put it differently, whether the restaurant uses within the Hacienda Building are deemed to be included within the first 89,000 square feet of alcohol serving restaurant uses). It should be made express that the Hacienda Building is included within the first 89,000 square feet of alcohol serving restaurant uses.

II.3.c.(i) and (iii) The plan identified here will require the approval of the three parties to the COREA, and an amendment of the COREA; among other things, without an amendment of the COREA, additional land may not be added to the shopping center. This approval has NOT been given and the COREA has NOT been amended by the three parties.

III.4.a(i) and (ii) RREEF and 3500 Sepulveda have agreed per the Settlement Agreement that parking garages would be grade level plus one, NOT grade plus two levels. 3500 Sepulveda has neither approved nor waived its right to object to this modification.

III.9.(iii) The Hacienda Building has regular weekend hours for medical offices.

IV.1.g(i) The reciprocal access identified here will require the approval of the three parties to the COREA, and an amendment of the COREA. This Approval has NOT been given and the COREA has NOT been amended by the three parties.

IV.2.b The project identified here WILL BE detrimental to the Hacienda Building and its tenants, because the current parking distribution and balance will be worsened by the proposed development.

IV.4.b This requires the approval of the three parties to the COREA, and the amendment of same. This approval has NOT been given and the COREA has NOT been amended by the three parties. Moreover, the project will create adverse traffic and parking impacts to the Hacienda Building and its tenants.

Ms. Laurie Jester
September 24, 2012
Page 4

We believe that in addition to the City and RREEF, the parties to the Development Agreement proposed in this Application should include the other individual property owners within the shopping center, i.e., Macy's and 3500 Sepulveda. In addition, the proposed enhancement of the Manhattan Village Shopping Center contemplates the construction of buildings within areas that presently are used for parking, and which are encumbered by easement rights held by 3500 Sepulveda and Macy's pursuant to the COREA which governs the shopping center; 3500 Sepulveda has not surrendered its easement rights with respect thereto and thus the proposed project appears to violate those rights. The COREA contains many other restrictions which, in the absence of an amendment to the COREA, would be violated by the proposed enhancement. The COREA has not yet been amended.

Thank you for the opportunity to present these concerns and make them a part of the public record with respect to the Application.

Sincerely,

3500 Sepulveda, LLC

By 

Mark A. Neumann
Managing Member

13th & Crest Associates, LLC


By Twin El Segundo, LLC,
Managing Member

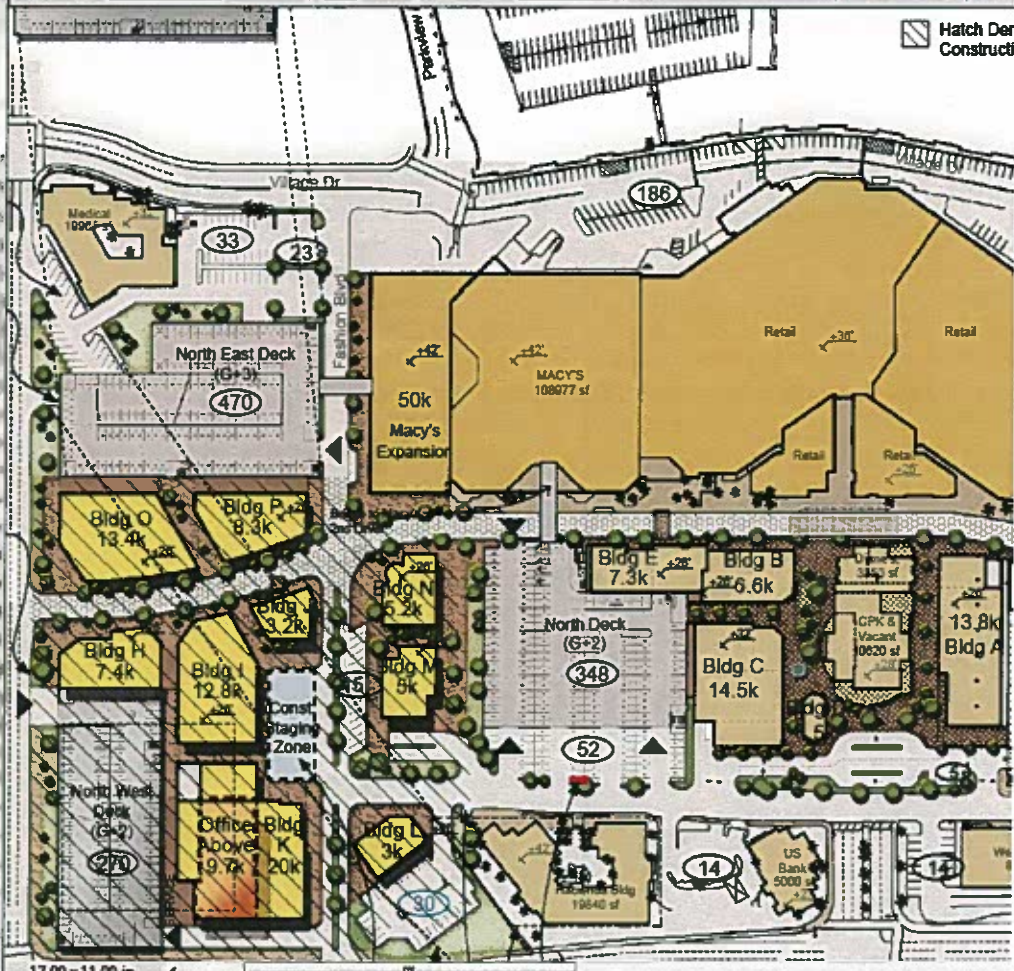
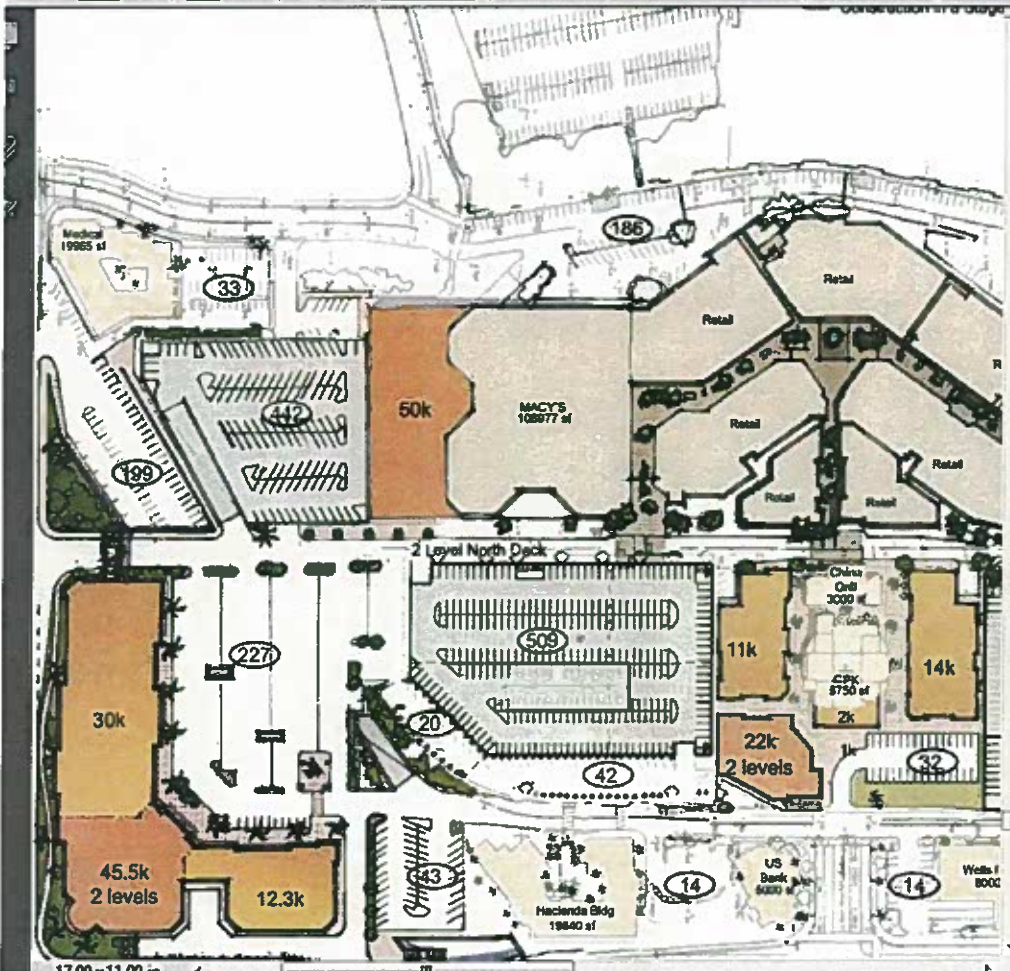
By 

Mark A. Neumann
Co-Managing Member

6220 Spring Associates, LLC

By 

Richard S. Rizika, Trustee
of the Rizika Family Trust,
~~Chief Executive Officer~~ 



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**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 sharrow.

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