

**CITY OF MANHATTAN BEACH
PLANNING COMMISSION
MINUTES OF REGULAR MEETING
MARCH 13, 2013**

A Regular Meeting of the Planning Commission of the City of Manhattan Beach, California, was held on the 13th day of March, 2013, 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
Michael P. Rocque, Assistant Planner
Recording Secretary, Rosemary Lackow

2. APPROVAL OF MINUTES – February 27, 2013

A motion was MADE and SECONDED (Gross/Paralusz) to **APPROVE** the minutes of February 27, 2013, as amended. Amendments include: Page 3: in Paragraph starting “Regarding the 6%”: the end of the last line shall read “and extends beyond the corner on the side”. Page 4: insert a paragraph break after the first paragraph and for speaker Dubakes, in the second line, insert “he” before “were” and “his” before “home”. Page 5: correct spelling to read “Karol Wahlberg”. Page 7: third paragraph from the bottom, the second line shall read: “also wondered if maintained at 8%, does ¾ of that amount need to be in the front yard?”. Page 9: under Alternative Fuel Vehicle Charger Locations: the third paragraph first line shall read: “Commissioner Paralusz clarified her statement to say that the issue of”.....

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

3. AUDIENCE PARTICIPATION - None

4. PUBLIC HEARING

03/13/13-2 Presentation on the Manhattan Village Shopping Center Enhancement Project Located on the East Side of Sepulveda Boulevard between Rosecrans Avenue and Marine Avenue

Community Development Director Thompson made introductory remarks noting there has been much public information and input already, and that staff has no new presentation. Staff is working with the developer closely and the purpose tonight is to continue the conversation.

Planning Manager Jester noted the extent of public input to date and that the developer has tried to address issues, but this is still a work in progress. Future applications and hearings will include a Master Use Permit (MUP) Amendment, Sign Exception and Sign Program Amendment, and Variance for building height, but the developer has withdrawn the Development Agreement and this will be explained by the developer in his presentation. The northwest corner (Fry’s site) is still under design development. Potentially those issues may not be resolved through the MUP and may need to come back. The Final Environmental Impact Report (FEIR) will be out in about a month.

Mark English, representing RREEF, made an update, stating they are addressing the most significant issues and emphasized that the developer is also one of the property owners. A

powerpoint presentation will be used, entitled “Rediscover Manhattan Village”, and they will present, in order: Soil hazards issue (Jeremy Squire), bike and pedestrian plan (Amber Richane), parking and circulation (Pat Gibson) and Parking structure design concept alternatives (Chuck Fancher).

Jeremy Squire, P.E., Murex Environmental, is the environmental hazards consultant and technical expert for the applicant and gave a detailed presentation summarizing the historical environmental conditions related to the soils for the center, noting that his work is independent of Chevron. He concluded that the soil issues, due to the prior use as a Chevron tank farm, are very well documented, and are known to the California EPA and Los Angeles Regional Water Quality Control Board. He indicated that the methane and other soil contaminants represent no public threat if left undisturbed and that the applicant proposes to avoid extensive underground construction on his firms’ advice, and of their other experts. The soil contamination at 5 feet and lower below grade is the primary reason that underground parking structures are not recommended for the site.

Mark English presented the Vision and Mission, noting that to achieve the goal of improving the lifestyle center, the project will enhance the existing that is good but fix what doesn’t work so well. Regarding site layout, he covered: “Village Shops” concept plan, two new parking structures (decks) to the south and north for shoppers convenience, slightly raised pedestrian crosswalks which also act as a traffic calming device, a landscaped berm parallel to Sepulveda; elimination of stop signs at main vehicle entrance off Sepulveda to keep traffic flowing into the center so it does not back onto Sepulveda, and two pedestrian and vehicular circulation rings. Regarding tenant mix Mr. English noted: will upgrade with a mix offerings (other project examples: SF Ferry Building, Santa Monica Place), will have a bike center, will demolish the Coffee Bean multi-tenant building, but try to maintain those tenants; and a main component will be consolidation of Macy’s two stores, repurposing the Men’s store on the south and expansion of the area where Macy’s northern store currently is. Regarding the northwest corner, he stated that the owner is “back to the drawing board” and displayed initial renderings to help in understanding the massing of buildings and a rough scheme for a corner center identifying element that will be developed at Rosecrans/Sepulveda.

Amber Richane, Callison Architects, presented on the bicycle/pedestrian elements of the plan noting several improvements: indoor-outdoor transition, new double-sided retail, expanded and enhanced Cedar Way; secondary circulation for pedestrians encouraging access; transit stops, Cedar Way “sharrows”; bike path to cross under Sepulveda with a 12 foot dedication, fully improved and separated from cars; bike center with valet.

Pat Gibson, Gibson Transportation, spoke on how traffic is to be organized on-site, including circulation and parking with intent to downgrade Cedar Way and then upgrade Carlotta Way to serve as the main vehicular route. The parking structures would be close to Mall entrances to channel traffic; at south end improvements are proposed so cars will not obstruct traffic on Cedar Way, and on Carlotta re-striping would enhance flow of traffic. Regarding parking: supply is proposed at 4.1 spaces per thousand, meeting peak demand (December), and locations are based on the theory that parking should be evenly distributed, and close to destinations and shopping entrances. Spreading out the locations of the decks is intended to avoid congestion at only one deck and convenience for the shopper and the meet retail demands.

Chuck Fancher, Fancher Partners, spoke regarding the background and intent of the developer. He commented: they have been talking to many groups, including the City Manager and City Council subcommittee, who asked them to look at different ways to solve parking, with the objectives: reduce size and height of above-ground parking structures, and push the structures away from Sepulveda the developer desires to cluster the retail, as well as put surface parking in front of Macy’s Men’s to create parking reservoirs whereby shoppers can get in and out quickly. A series of meetings have been held with the Manhattan Village Homeowners Associations to discuss options for locating the south parking deck because there is an agreement that came out of years of meetings with the developers and residents to not place the parking structure adjacent the current Macy’s Men’s store. He reviewed effects on

parking supply for parking deck options and buildings. He described Options 4, 5 and 6, noting the benefits and flows of each, and in particular he noted that Option 4 screens most of the view of the parking deck from Sepulveda and the residents to the west of Sepulveda and is attractive to other lessees. He concluded by displaying graphics of the decks.

Mark English, RREEF, stated that the request to withdraw the Development Agreement is based on their conclusion that they don't think they can construct the project within the time frame allowed by law, and thought it is best to get the project underway. Mr. English touched on fiscal upsides and downsides, indicating a conservative potential estimate by a financial consultant, of annual sales of 291 million with the project, compared to 270 million annually now, but dropping to 164 million if nothing is done. The Apple store is currently a 4th anchor in terms of sales revenue, and they want to keep that tenant.

Questions from the Planning Commission:

In response to a request by Chairperson Andreani, Mr. English noted that RREEF will post its powerpoint presented this evening on its Manhattan Village website at www.shopmanhattanvillage.com. Planning Manager Jester stated that staff in turn will provide a link to that document, as soon as possible.

Ms. Jester also called attention to new correspondence that has been received after the distribution of the staff report that is on the dais.

In response to a question from Commissioner Paralusz, **Mr. Squire** indicated that paper and e-copies of environmental reports on the soils issues can be obtained from the State Water Resources Board under File number 0235-A in their "Geotracker", that agency's database for hazardous substance sites. Planning Manager Jester indicated that staff would provide links to those documents also on the City's website.

In response to follow-up questions from Commissioner Paralusz, **Mr. English** indicated that even if the site design at the northwest corner is approved, the Apple store would not be located there, because it is needed to attract people into the main mall, and further, it needs room to expand and they are not willing to wait until the corner is rebuilt. Further he responded that the lease for Fry's will be up in just a few years (end of 2016), and they believe Fry's plan is to exit the Center; however, RREEF will negotiate with Fry's to resolve some flaws that exist now with the corner site.

In response to Commissioner Conaway's question about Macy's and the Hacienda Building as to if those owners are "on board" now with the project, **Mr. English** noted that negotiations have been underway for 5 years but so far they are not onboard - to do so, they first have to get the site plan finalized.

In response to a question from Commissioner Conaway about the Final EIR, Community Development Director Thompson explained that staff keeps track of the EIR and, we have signatures on the project application from the two other owners, so the EIR is still valid as long as the changes that are made are consistent with FEIR, including project description and analyses and conclusions. If the changes are found to be not consistent with the FEIR, the project EIR would have to come back to the Planning Commission.

In response to questions from Commission Gross, **Mr. Squire** indicated that although RREEF could order Chevron, as the responsible party, to deal with the soil contamination issue, he doesn't believe they have not yet done this, because the site is currently developed and to make such an order may violate their property rights. **Mr. Squire** reiterated that to leave the soil in place would meet EPA laws, as well. The contaminated soil issue has been thoroughly reviewed in the EIR, and it was concluded that adequate engineering controls are in place such that no further action is recommended - however he suggested that if something is wanted in writing, he suggested that such a statement could be provided in the EIR.

Commissioner Paralusz commented that she knows from her professional experience involving several development sites, that appropriate state agencies will not hesitate to order a cleanup if needed, and they also will not arbitrarily order an owner to do something.

In response to a question from Commissioner Gross, Ms. **Richane** indicated that the pedestrian oriented paths along Cedar will not be only concrete pavers, but tile or pavers; stamped and/or colored material, but will be enhanced to a level appropriate for pedestrians as opposed to cars. 3rd Street Promenade and Santa Monica Place are both examples of this in Santa Monica. The material would not be concrete or asphalt like today. The surfaces near the mall entrances and Tommy Bahamas will be decorative and inviting, while on Carlotta will be just concrete; however the sidewalks along Carlotta Way are intended to be continuous and consistent enhanced pavement throughout the center, to which Commission Gross affirmed his support.

In response to an inquiry from Commissioner Gross, **Mr. Gibson** indicated that there are proposed striping improvements on Cedar Way to provide for three lanes near Marine Avenue, but there are no diversions to traffic going to Carlotta Way – drivers will have the option to go either way (straight onto Cedar or turn towards Carlotta). Commissioner Gross suggested that the developer consider having a diversion from Cedar to Carlotta Way, at the south end of the site, to avoid a negative impact on Cedar.

In response to a question from Commissioner Ortmann, **Mr. Gibson** stated that, on the plan, the distance between the corner of Rosecrans south to the project driveway on Sepulveda is 150 to 175 feet and this represents a lengthening of the existing right turn only lane. Community Development Director Thompson interjected that the bridge widening project on Sepulveda just south of Rosecrans adjacent to the project will allow an additional lane on Sepulveda.

In response to a question from Commissioner Ortmann, **Mr. Squire** confirmed his understanding that, referring to a map on the powerpoint, the shaded areas where oily (petroleum) stained soils are likely to be located includes most of the area for the proposed parking decks, and, further, Mr. Squire's conclusion about the soils and recommendations are the same – that the soil should be left in place and not excavated. The map in the powerpoint shows that the northwest Fry's corner and the southern portion of the entire Mall site does not show oil contaminated soil. The maps are based on soil boring information and borings were not done everywhere on the site.

In response to a follow up question from Commissioner Ortmann regarding the Development Agreement being withdrawn, Community Development Director Thompson indicated the sense of staff is that, the critical path is to move forward with the core shopping center site, and that there is time before Fry's would leave in 2016 to work out the design for the northwest corner, although it is preferable to have a "Master Plan" with multiple phases, with the range of potential impacts in each phase addressed in the EIR. Mr. Thompson confirmed Commissioner Gross' understanding that, to some degree the FEIR will have some control on a future Development Agreement for the northwest corner.

In response to a question from Commissioner Ortmann, **Mr. English** stated that the northwest corner parcel is very important to RREEF and that if in the future they choose not to pursue a Development Agreement for that parcel, and make big design changes for the northwest corner, the consequence would be that they could be required to re-analyze the changes through the EIR process which they would want to avoid.

Commissioner Ortmann indicated that it is important, as reminded by Community Development Director Thompson, that the pedestrian and bicycle access to the mall under Sepulveda with Phase I will be a part of this project regardless of the withdrawal of the Development Agreement.

Chairperson Andreani requested of **Mr. English** that, to enhance the public's understanding, they prepare a timeline showing when construction would begin for Phases I and II and include items that would be part of the "construction mitigation", and it was agreed that this would be

done. **Mr. Gibson** indicated to Chairperson Andreani that potential new restaurant uses, including alcohol service have been factored into the parking and traffic analyses and **Mr. English** responded that the City will have approval consideration for any potential new alcohol use before the developer goes to the State ABC, as part of the whole application. **Mr. English** further confirmed that some compact parking stalls and electric vehicle charging stations will be proposed in the plan, and **Mr. Gibson** further explained that the parking garages have not been fully designed but the commitment is to provide parking that meets the City's codes, with no variance and operationally the developer requires that all employees park to the rear of the stores, which is where they plan to locate the compact stalls. Director Thompson indicated that compact parking should be very limited, around 5%, and that electric vehicle parking-charging will be a requirement.

In response to Chairperson Andreani's questions about the site lighting, **Mr. English** went over the height of the poles (proposed at 15 feet above the top parking deck level) indicating with fewer lights they would have to be taller to cast more light, and if made shorter, there would need to be more of them. The proposed height of the lights at the upper deck level is 37 feet measured from the ground, to the top of the lamp. In response to Chair Andreani's questions about a potential movie theater in the Macy's Men's store location, **Mr. Chuck Fancher** gave the opinion that it would be very unlikely that another theater (including Landmark as suggested) would be able to compete with Pacific Theater in El Segundo across Rosecrans, due to the way films are awarded to theaters. Further, **Mr. English** indicated that RREEF has to be careful in re-tenanting Macy's Men's as this financially affects the plan to consolidate the two stores.

Chairperson Andreani opened the public hearing, inviting the public to speak and thanking the audience for continued involvement and patience.

Glen Goldstein, 54 Village Circle, spoke in October for the joint HOAs for Manhattan Village residential community to the east. Their group reached an agreement with RREEF to not build the parking structure adjacent to the front of their homes and is happy to hear that this accord from 2007 is intact.

Mark Neumann, 3208 Laurel Avenue, is the owner of 3500 Sepulveda "Hacienda" Building, on the Mall site. He has owned it since 2005 when it was half empty. Unaware at that time of the expansion proposal, he signed the application but a settlement agreement was for a much less dense project including two, not three, level parking structures. He commended RREEF for doing a good job in getting their proposal together but still has concerns that traffic issues at the corner of Rosecrans may not be addressed if the corner parcel is not part of the current plan to be approved. He feels the northwest corner is a key connection and should be developed first, not last. He confirmed that he and RREEF do not have an agreement. One of his concerns besides being too dense is the potential loss of surface parking spaces near his property. He recommended showing plans that are at a more detailed scale and concluded by urging the Commission to look at the project from the perspective of residents.

In response to a question from Commissioner Paralusz regarding Mr. Neumann's building, Planning Manager Jester indicated there are about ten tenants in his building, including a restaurant, a cupcake store, retail Wine, insurance and offices, including some medical clinic. Commissioner Paralusz observed that the north deck looks like it would provide more parking for those businesses, instead of exacerbating a problem. **Mr. Neumann** indicated that he thinks conditions may be worse.

Robin Gulkey, 3200 block of Oak Avenue, local resident, indicated she wrote a letter to the City back in July, expressing concerns of potential increases in traffic, parking impacts, lighting, and crime and these concerns remain, except it looks like the plan addresses and encourages bicycles. However, she has recently been impressed by Professor Shoup at UCLA who believes that communities should move away from "car-centric" centers and suggested that the City considers the trend to reduce the parking supply and move towards using shuttles.

Diane Wallace, president of Manhattan Village HOA and a member of several environmental groups, thanked staff and the developer for meeting consistently with them over many years, and supports the comments of Glen Goldstein. She also supports leaving the oily soil in place and sees Option 4 as the best design in that it appears to make the south parking structure less visible and will reduce its' lighting impacts. The Village homes have the same soils issues and Chevron remediated in the 1970's and it works so don't dig the structures too deep. The design of the northwest corner has improved also.

Chris Prodromides, 3100 block of Oak Avenue, echoes that he feels that Option 4 is the most agreeable, but he doesn't like the parking structures to begin with. South of Macy's mens store is not a good option as it impacts the Village residents. The developer just met with the Oak Avenue residents last night and were shown these options, so they have not had an opportunity to come to a position on the options as a neighborhood group. His overall concern is that there are many unknowns with the project, and that once Fry's vacates, will the mall decline? He suggested that the approval include a provision, allowing the project to go forward under specific conditions guaranteeing that the northwest corner will be completed.

Liz Griggs, 300 block of 36th Street, is also employed by the RREEF as the Mall Manager, emphasized that the retail market for families and teens is currently underserved and believes that RREEF is being conscientious and responsible in addressing the community needs. Currently teens need to shop outside of Manhattan Beach to find what they want. This is the largest retail in RREEFs portfolio and it is important to them. In response to a question from Chairperson Andreani, Ms. Griggs responded that she believes it is possible for Manhattan Village to be compatible with Plaza El Segundo and that being competitive means competing for consumer dollars.

The Chair invited the project applicant to respond to public comments.

Mark English thanked everyone for feedback and input and stated they care deeply about the community, and although their plan may not make everyone 100% happy, they hope it will strike a balance and they will continue to meet with people.

Chairperson Andreani closed the public hearing.

Commissioner Conaway thanked all who spoke and wrote comments and wanted to encourage anyone to send comments to the Commission via email or letters through City staff – it is very easy. Regarding the plan, he recognized much progress done, but more issues need to be worked through. Even though he understands the urgency to get this done, we need to proceed carefully, as this sets the development pattern for the next 30 to 60 years. The Staff report neatly summarizes the community's concerns: to think clearly on the soils issue; will the size, being a 21% increase in square footage, result in the center becoming a regional attractor, and will it fit with a small town atmosphere? Will traffic be adversely impacted or will the mix of uses affect that? He needs to get comfortable with the parking issue, and believes 21% to be a significant increase.

The applicant needs to address parking and visual impact of the parking structures and is concerned that there are too many structures and they will obstruct the view of the main retail facades. He agrees that, based on Robin Gulkey's comments, that this is a traditional car-centric design that needs to be reevaluated. He recognizes that the Veterans Parkway is a huge asset and is an opportunity to bring in people from the community. This area is a key entrance, and should be inviting, not just bring people into a parking area. His greatest concern is that the parking strategy is fundamentally flawed; he believes the structure could be consolidated in the northwest corner below street level taking advantage of the natural grade and where soil is not contaminated. He noted that there are examples of local successful retail centers with a single parking structure and further this is a relatively small center; people can walk from the parking structure. He feels the center is overparked. The plan calls for a lot of navigation by drivers before they get to park, and he suggests shifting the parking to the north portion would eliminate a lot of on-site traffic vs. pedestrian problems, with Veterans Parkway more fully

utilized in the plan. Sharrows are a minimum on Cedar, need to do more, and transit on Sepulveda and Rosecrans needs to be enhanced. In conclusion, he believes that not enough has changed in the plan and there are real opportunities to improve connections to the community being missed.

He further added the developer should be encouraged to see how enhanced mass transit can mitigate traffic concerns and should look at how multiple parking structures will impact policing.

Commissioner Paralusz thanked residents again for meetings, staying interested and making voices heard and to RREEF for listening and staff for hard work. Recognizing that the overall goal is to make as many people as possible happy and a vibrant place where people will shop, she made the following points: There needs to be a balance on the property between private property rights and public good and needs, and RREEF needs to improve their property and the public has a great responsibility in helping to shape and move project forward. Regarding Option 4, she does not have as many concerns as Commissioner Conaway, but understands why the public parking structure can't go underground, understands that there is no Development Agreement in play at this time, but understands the City and RREEF have common interest in the project being developed. Commissioner Paralusz recalled in her hometown area back east, a center that once was vibrant is now vacant and an eyesore. While it's unlikely that will happen here, RREEF's concern is legitimate and they are headed in the right direction.

Commissioner Gross thanked the public and owner/developer for patience and for its confidence in their business model and investing their money. He has concern that slowing down too much will hinder progress; agrees with much of what the other commissioners have said but there is concern to get going. Two reasons to keep this going: just about everyone shops at the mall and the City needs the income in that it is a significant contributor via sales tax for police and fire services. Many adjustments have been made and he urged that the Commission consider that not too many more changes are needed and thinks it's a good thing that the corner parcel is not going to be done now. The public tone is not negative; the project is not perfect but is heading in the right direction.

Commissioner Ortmann noted that it's reasonable that RREEF have a vision, but equally important that the public share their vision and the community has an obligation to stay engaged till the end. He agrees with Commissioner Conaway's that parking is not yet resolved, and this includes bikes and transit; he believes that Veterans Parkway also appears to be treated as an after-thought. He needs to understand why parking supply is designed to meet the December demand and agrees that the project is over-parked, is auto-centric and believes this needs to be addressed. He feels since the Fry's parcel does not have the soil issues that an extra level of underground parking for employees and others could be located here, and a level of parking could be taken off of the above ground structures. In conclusion he feels changes are not substantive enough and the northwest corner has not advanced at all, this connection should not a lost opportunity.

Chairperson Andreani stated that community letters received indicate that RREEF has strived to greatly enhance the project. She thanked RREEF for their work, noting that the City needs a vibrant center and revenue. She agrees with Commissioners Conaway and Ortmann that parking is not yet resolved and hopes RREEF will take a single parking structure into consideration. The recent Veterans' Parkway landscaping and improvements meeting and others to come with residents is a great opportunity for the Mall to get involved and understand what the residents want with the Veterans park connection. She believes a phased construction plan and timeline, including construction mitigation measures, as well as a 3-dimensional project model with landscaping, would make it easier for the public and the Commission to visualize and understand the proposed mall development and expansion.

Commissioner Paralusz recognizes that she feels differently about parking and would appreciate knowing what the number is for the absolute minimum number of parking spaces

that need to be added and wonders is there room to maneuver? Commissioner Conaway added he would like to see walking distances (to the mall entrances) in minutes (5, 10, 20), noting that Portland has a 20 minute rule. Can this mitigate the expected increase in traffic?

Director Thompson stated that staff will provide the parking numbers, and issues suggested by the Commission including more information on the northwest corner parcel and most likely more changes on the plan will occur.

Commissioner Gross added that he wants to emphasize that this plan is a real improvement and marks huge progress. There will be more open space, he found the explanation convincing as to how bikes and pedestrians will work. He also recognizes that parking accommodates the population as it ages with decreased mobility and he likes the way the parking areas as proposed would be dispersed.

Director Thompson pointed out that the lower level parking area where the greenbelt occurs as the continuation of Veteran's Parkway is all open to the sky, which is remarkable. This will help the public feel comfortable in walking under the Sepulveda bridge.

It was MOVED and SECONDED (Gross/Paralusz) to REOPEN AND CONTINUE THE PUBLIC HEARING to April 24, 2013.

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

Planning Manager Jester announced that staff will provide a notice of the availability of the EIR.

After a short break, at 10:21 pm Chairperson Andreani reconvened the meeting.

03/13/13-3 Consideration of Zoning Code and Local Coastal Program Amendments to Implement the Newly adopted and Certified Housing Element Update (2008-2014).

Chairperson Andreani announced the subject of the public hearing.

Director Thompson introduced the City's consultant, J.H. Douglas, who made a brief power point presentation emphasizing it is important to keep the Housing Element's certified status by reviewing and implementing the various Programs within the Element. The proposed Amendments would implement the Element's goals, policies and programs that are required upon certification by the State Department of Housing and Community Development.

Commissioner Gross requested that more information be provided as to how multi-family units and second units can be developed in RS areas.

In response to a question from Chairperson Andreani, Mr. Douglas explained that the second unit standards for parking would meet but not go beyond state law.

It was MOVED and SECONDED (Gross/Conaway) to OPEN AND CONTINUE THE PUBLIC HEARING to the meeting on April 10, 2013.

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

5. DIRECTOR'S ITEMS