

**CITY OF MANHATTAN BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

TO: Planning Commission

THROUGH: Richard Thompson, Director of Community Development

FROM: Laurie B. Jester, Planning Manager

DATE: April 24, 2013

SUBJECT Manhattan Village Shopping Center Enhancement Project, Final Environmental Impact Report (FEIR), Master Use Permit Amendment, Variance (Building Height), Sign Exception and Sign Program, located on the east side of Sepulveda Boulevard between Rosecrans Avenue and Marine Avenue (3200-3600 North Sepulveda Boulevard).

RECOMMENDATION

Staff recommends that the Planning Commission **CONDUCT THE PUBLIC HEARING AND PROVIDE DIRECTION.**

PROPERTY OWNERS

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

APPLICANT

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)

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and Development Agreement were recently submitted also, although subsequently the Development Agreement was withdrawn.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 Final EIR is complete and was distributed for public review on April 2, 2013. The Draft and Final EIR's are available on the City website, at City Hall and at the Library. (Attachments I and J)

A Planning Commission public hearing was held on June 27, 2012 to provide an overview of the project. Second and third public hearings were held on October 3, 2012 and March 13, 2013 (Attachment A) 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

Project Overview

The approximately 44-acre Manhattan Village Shopping Center site includes an enclosed, main mall building and several freestanding buildings that provide approximately 572,837 square feet of gross leasable area (GLA), with 2,393 parking spaces. The proposed Project would involve an increase of approximately 123,672 square feet of net new retail and restaurant GLA (approximately 194,644 square feet of new GLA and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema GLA) within an approximately 18.4 acre development area within the Shopping Center site. Of the 194,644 square feet of new GLA, up to approximately 25,894 square feet would be new restaurant uses, while up to approximately 168,750 square feet would be 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 GLA.

In addition, an equivalency program is proposed as part of the Project that provides 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 GLA (204,361 square feet maximum of new GLA and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema GLA) would be developed within the Development Area for a total of up to 706,226 square feet of GLA. The proposed Project would also include new on-site parking structures and surface parking areas that are proposed to provide at least 4.1 parking spaces per 1,000 square feet of GLA. Heights of new shopping center buildings and parking facilities would range from 26 feet to up to 42 feet.

The EIR for the project includes all three Phases of development as described above and in the Final EIR. The Master Use Permit Amendment only requests approval of Phases I and II, and Phase III- North West corner will be deferred until this portion of the project can be further refined. This is described in detail in the applicants Land Use application materials (Attachment H) and is shown in the applicants plans (Attachment I). Some common area portions of Phase III will be developed with Phases I and II in order to integrate the entire site. Phase III includes the Fry's parcel, which has a lease that expires in 2016.

Planning Commission Meeting-March 13, 2013

At the last meeting in March 2013 RREEF presented a number of options for the south parking structure in Phase I-Village Shops to address the concerns raised by the public, Planning Commission and staff through the public process. A representative from Murex Environmental provided a presentation on the soils, methane and hazards on the site. RREEF, their architect and their parking consultant presented more details on the proposed pedestrian, bicycle, and transit plans, and other design options for the site.

A number of residents spoke at the meeting and the public and Commission discussed a number of concerns as addressed in the attached minutes (Attachment B). The concerns continued to focus on the Size-Regional Draw, Traffic, Mobility (Bicycles, Pedestrians, Transit), Parking structures, North West corner design, Lighting, Crime, Hazardous soils, and Construction impacts. The public and Commission indicated that they felt the Center was overparked, using the peak December parking demand, and too much of a “Car-centric” design. Veterans Parkway connection was continued to be emphasized as a key element and an opportunity to provide a dynamic connection and entry to the site.

In general the public and Commission seemed to feel the project was heading in the right direction with the new design of the South parking structure in Phase I- Village Shops; lower and more elongated north to south with buildings in front between the parking structure and Sepulveda Boulevard. There was an understanding of the challenges to placing the parking structures underground due to the hydrocarbons on the site, but the opportunity for placing parking underground in Phase III- North West corner, was something that should be explored which could then reduce the number of above ground levels and height of the parking structures. Some of the Commissioners felt that distributing the parking areas throughout the site and providing an effective valet was good for an aging population with decreased mobility, while others felt that more centralized parking would create a safer environment, easier to police, and encourage shoppers to park once and walk throughout the Center.

The Commission asked for a Phasing Plan, more information on parking numbers per Phase and a map of walking distances to the Mall. The applicant has provided this information in the packet of plans (Attachment H).

Key Discussion Points

Staff feels that the following are some of the key topics that the Planning Commission discussion should focus on.

1. Parking-spaces proposed and demand required-

The applicant, staff, the Commission and public all agree that we do not want to “overpark” the site by providing more parking than is needed to meet the demand. The applicant has indicated their desire, and the desire of their tenants, particularly Macy’s, to have customer parking close to the core of the main Mall. The Planning Commission, staff and the public continue to strive to make the project more pedestrian friendly and less car-centric, and rely on alternative forms of transportation such as walking, biking and transit.

The Draft EIR parking demand study- (Attachment D-Chart and discussion on pages IV. H 56-61 Transportation and Circulation of the Draft EIR) shows that at the peak parking demand on the worse day of the year in December there are over 100 extra parking spaces on the site. It also shows a demand of 481 to 718 employee parking spaces on the site at the peak. This is about 25% of the total demand of 2,211 to 2,752 parking spaces. The majority of the days there will be an even greater number of surplus parking spaces.

Staff sees this as an opportunity to manage the employee parking more efficiently. Employees could park more remotely, on or off-site, freeing up the closer more convenient and desirable parking spaces in the core for the customers. A robust Employee Parking Reduction Program to encourage remote parking, parking in the lower culvert area, off-site parking, walking, biking, transit use, carpooling and other forms of alternative transportation can effectively reduce employee parking. Conditions 4 through 8 of the drafts conditions of approval suggest items to reduce on-site parking demand and improve pedestrian circulation between the Mall and the City leased parking, the Senior Housing, the Village homes, the Veterans parkway and other off-site areas. Actively promoting a “Walk to the Mall” program is suggested as well as providing a package holding and delivery service to provide options for customers that do not drive to the Mall as well as for safety and security concerns.

Staff believes a goal to reduce the on-site employee parking demand by a minimum of 100 spaces is very realistic and achievable. Staff would suggest that the Commission discuss reducing the size of the North parking structure in Phase I- Village Shops by 100 spaces, and the draft conditions suggest some language to provide for this. This will provide adequate parking on-site, while reducing the visual impact of the structure. The applicant is concerned with reducing the parking on site and has addressed this in their application material and is anticipated to discuss this at the meeting. Parking demand can be monitored with Phases I and II, and if additional on-site parking is needed it could be provided with Phase II or III.

This approach has successfully been used to manage parking Downtown. Additionally, biking, walking, transit, and valet parking provide customer opportunities to manage parking on-site more efficiently, and the ability to explore options to reduce on-site parking and reduce the height of the parking structures.

2. *Light Poles on top of parking structures-*

The proposed light structures are 15 feet above the surface of the top deck of each parking structure. Lower light fixtures, such as bollards, wall packs, and/or lower poles could be used in some areas which would increase the number of fixtures, but decrease the visual impact of the light structure poles.

3. *Phasing Plans- connections between Phases and entire Mall site-*

The applicant has provided separate site plans that show Phase I – Village Shops Component and Phase I and Phase II-North East corner Component at completion (Attachment H) . Separate Concept plans that show pedestrian, bike and transit connections have also been provided (Attachment H). The Draft conditions (Attachment C) suggest having Staff review some of these details through the administrative Planning preliminary Plan check review process. Streetscape, pavement treatment, sidewalks, and pedestrian crosswalk designs

would be included. Staff anticipates that the Plan will be built in phases so that improvements are provided with the first Phase, however as future Phases are developed revisions and further improvements will be required. Additionally, through the Plan check process staff will require detailed plans to ensure that the overall 44 acre Mall site provides a cohesive connected design through pedestrian, bike and transit linkages as well as signage, lighting, landscaping and design features. The applicant has also provided a map of walking distances to the Mall at 5 minute increments, up to 20 minutes, which is a standard used by other Cities for the distance people will typically walk.

4. *Appearance of buildings and parking structures-*

At the last meeting the applicant provided some examples of parking structures that were designed to be integrated into the architecture of the surrounding buildings. Concept plans for the commercial buildings have also been provided in the Draft and Final EIR' and in the prior presentation from the applicant. The Draft conditions suggest having Planning staff review these design details through the administrative Planning preliminary Plan check review process. Concept designs that would include material boards with color and texture samples, renderings, other visual displays, and architectural details would be provided. Concept plans for the common outdoor plaza areas design, street/courtyard furniture, building and parking site plan-layout, and facades/elevations design motifs would be provided. Planning Commission review would only be required at a notice public meeting if the design was significantly different from the concept plan or if Phase II proposed significant changes to the parking structure or building design. Additionally, through the Plan check process staff will require detailed plans to ensure that the overall 44-acre Mall site provides cohesive connected design features.

5. *Pedestrian and bicycle connections to the Veterans Parkway Greenbelt under Sepulveda-*

Concept plans that show pedestrian, bike and transit connections at completion of Phase I – Village Shops Component and Phase I and Phase II-North East corner Component have been provided by the applicant. The applicant and staff understand the importance of having a connection under Sepulveda through the Veterans Parkway and to the site. The Draft conditions (Attachment C) suggest installing this linkage with Phase I, including lighting , signage and other improvements to enhance the aesthetics, useability and security of the area and to create an inviting entry and secure environment. Staff anticipates that the Plan will be Phased so that some improvements are provided with the first Phase, however as future Phases are developed, revisions and further improvements will be required. Staff will review these plans through the Plan check process.

6. *Conditions of approval-*

Draft conditions of approval are provided as a starting point for the Planning Commission to review, discuss and provide input. (Attachment C) These conditions have been provided to the applicant and they have a number of comments. The applicant has indicated to staff that they would like to further discuss a number of these conditions, including but not limited to the number of security cameras, timing of the site-wide improvements, the parking structures and number of spaces, the Rosecrans and Sepulveda dedications, the timing of the Rosecrans left-turn restriction, the number of Electric Vehicle (EV) charging stations, and the Village Drive rear cut-thru diversion improvement Plan.

7. Phase III-North West Corner-

Staff, the public and Commission has continued to have a number of comments and concerns about the design of Phase III- North West Corner. Staff is recommending that when action is taken on the project at a future hearing that the Commission Certify the Final EIR for the entire project but that the land use entitlements, the Master Use Permit Amendment, Variance, and Sign Program/Sign Exception for Phase III- North West corner, be deferred until a later date. This will allow time for the applicant to thoroughly address the concerns of the community and work through these design issues.

Land Use Applications, General Plan and Sepulveda Boulevard Development Guidelines

The Manhattan Beach Municipal Code has specific purposes, criteria, authority, conditions and findings required for the Master Use Permit Amendment, Variance, for building height, and Sign Exception/Program. (Attachment E) The Land Use Section IV. E-1 of the Draft EIR (Attachment I) provides details of the General Plan and Sepulveda Development Guidelines goals, policies and programs. The applicants Land Use applicant packet (Attachment G) discusses the required findings. The Planning Commission is required to make findings that the project is consistent with all of these criteria in order to approve the project. These findings are separate and different from the EIR certification which is based on the determination that there is no significant environmental impact.

Public review and comments

Since the distribution of the Final EIR only a few comments have been received and they are attached to the report (Attachment F). Notice of tonight's Planning Commission meeting was published in the paper, mailed to all property owners and residential non-owner residents within a 500 foot radius, mailed to surrounding Cities and public agencies, and e-mailed to interested parties. The Final EIR includes all the comments on the DEIR and responses to those comments as well as changes and additions to the project. Copies of the Final EIR were distributed to the Planning Commission, City Staff, City Council, and the public on April 2, 2013.

The Draft and Final EIR documents are available to the public for review at the following locations:

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

The City has provided an entire webpage devoted to the Mall project with links to all of the staff reports, minutes, presentations and EIR documents at <http://www.citymb.info/index.aspx?page=1629>.

Further future noticed public hearings on the Final EIR, Master Use Permit Amendment, Variance, Master Sign Permit and Sign Exceptions before the Planning Commission and City Council will be required.

CONCLUSION

The purpose of tonight's meeting is to present the Final EIR, the new project concept plans, the Master Land Use Applications (Master Use Permit Amendment, Variance, Master Sign Permit and Sign Exceptions), and the draft conditions of approval to the Commission and the community, and provide an opportunity for questions, discussion and comments. Staff recommends that that Planning Commission accept the presentations, take public comments, and provide comments on the proposed project.

Attachments:

- A. Planning Commission Staff report and attachments- March 13, 2013
 - B. Planning Commission Minutes- March 13, 2013
 - C. Draft Conditions of Approval- April 24, 2013
 - D. Peak Parking Demand Chart- Table IV. H-17- Draft EIR page IV. H-58
 - E. MBMC Sections: 10.84 Master Use Permit and Variance, 10.72 Sign Program and Exception
 - F. Public Comments
 - G. Master Land Use Application packet from applicant – April 18, 2013
 - H. Plan packet- from Callison; applicants architect – April 24, 2013
 - I. Hyperlink to Draft Environmental Impact Report (DEIR)-
<http://www.citymb.info/manhattanvillage/index.html>
 - J. Hyperlink to Final Environmental Impact Report (FEIR)-
<http://www.citymb.info/manhattanvillage/Final2013/index.html>
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