

**CITY OF MANHATTAN BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

TO: Planning Commission

THROUGH: Richard Thompson, Director of Community Development

FROM: Laurie B. Jester, Planning Manager

DATE: May 22, 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 CONTINUED PUBLIC HEARING, PROVIDE DIRECTION, AND CONTINUE UNTIL JUNE 26, 2013.**

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and Development Agreement were then submitted in 2012, although subsequently the Development Agreement was withdrawn.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, other site property owners, 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 E and F)

A Planning Commission public hearing was held on June 27, 2012 to provide an overview of the project. More public hearings were held on October 3, 2012, March, 13 and April 24, 2013 (Attachment A) as an opportunity for public and Commission input.

Since the April 24th meeting 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, as well as meet with other City Departments to review and receive input on revised plans and draft conditions. 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.

Based on direction from the Commission at the last meeting, the format of tonight's meeting will be public comment at the beginning of the meeting after a brief introduction by staff. Then the City's EIR Traffic Engineer will provide a presentation on parking and traffic, followed by the applicant and staff presentations.

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, all three Phases as analyzed in the Environmental Impact Report (EIR), 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 overall 44-acre 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, the EIR analyzed a Traffic Equivalency Program that provides the opportunity to build a variety of land uses currently permitted by the Master Use Permit for the Shopping Center as long as there is not an increase in traffic. As an example under, the Equivalency Program if 10,000 square feet of medical office use were eliminated it could be replaced with about 15,000 square feet of retail use, and not generate any additional traffic during the critical PM peak hour time. 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 caps on square footage of land use. The conditions will include maximum square footage caps on different land uses.

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, plus mechanical, elevators, architectural features and lights poles which can add up to

an additional 18 feet in height is shown on the Heights Table, the last page of the plan packet (Attachment C). The existing Macy's building is about 42 feet tall.

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. Although the EIR only covers the 18 acre development site, the Master Use Permit and other land use applications cover the entire 44 acre site.

As currently proposed, Phase I- Village Shops includes the demolition of 22,144 SF (Theaters and See's Candy building) and the construction of 63,300 SF for a net increase of 41,156 SF. This would bring the new total square footage to 613,993 SF. Parking would increase by about 272 net new spaces to 2,665 total parking spaces with the addition of surface parking as well as 2 three level parking structures, which creates a parking surplus of almost 150 spaces for future Phase II use. Phase II- Northeast corner includes the demolition of 2,628 SF (restaurant by the Theaters) and the construction of a 50,000 SF Macy's expansion for a net increase of 47,372 SF. This would bring the new total square footage to 661,365 SF. Parking would increase by about 63 net new spaces for 2,728 total parking spaces in a new two level parking structure. The total square footage proposed is under the square footage analyzed in the EIR.

The project proposal is described in detail in the applicants Land Use application materials within Attachment A) and is shown in the applicants plans (Attachment C).Some common area portions of Phase III, including the culvert parking area and proposed "dog park" with pedestrian and bike connections under Sepulveda, and pedestrian, bike, transit and traffic improvements, 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 at the end of 2016.

As the plans for the project have continued to evolve, staff has continued to meet with the applicant to review and comment on the project. Staff has also met with all of the other Departments to again review and get their comments on the revised proposal. The applicant has been meeting separately to get their input also. Since revised plans did not develop until very recently, there was not adequate time to incorporate comments from other Departments into the plans or the draft conditions of approval. Staff will present revised conditions of approval based on the latest plans with comments from all the Departments incorporated at the next meeting.

Planning Commission Meeting-April 24, 2013

At the last meeting in April 2013, RREEF presented more details on Phases I and II of the project and the timing of development, the revised design of the south parking structure in Phase I-Village Shops and architectural details and examples to enhance the parking structures, parking deck lighting, Veterans parkway connection and "dog park", parking supply, ratios, comparisons to other centers and industrial standards and relationship to "core" commercial areas, walking distances to the Mall and comments from the other property owners on the site. The applicant also noted concerns about the draft conditions, specifically street dedications and improvements and the standards, timing and sign-off procedures for the conditions in general. A Macy's representative discussed Macy's need to grow as a highly productive and desirable store, and their parking needs. The City's EIR consultant, Matrix Environmental, provided an overview of the EIR process and the Draft and Final EIR which has been out of public review for a number of

weeks. A representative from Gibson Transportation, the City's traffic consultant on the EIR, provided a presentation on traffic, parking, and pedestrian, bike, and transit improvements. Peak parking supply and demand and options to reduce the parking were discussed, as well as traffic thresholds for determining significant impacts.

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 Traffic and Parking, Mobility (Bicycles, Pedestrians, Transit), Parking structures, Phase III -North West corner design and timing, Phasing, and Lighting, as well as the adequacy of the EIR. 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.

Key Discussion Points-

The following seven items were detailed in the April 24th meeting, but due to the late hour the Commission was only able to discuss item #1, parking in detail. Staff feels that the following are some of the key topics that the Planning Commission has also discussed, followed by how these issues have been addressed.

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.

After much discussion the Commission concluded that it was important to balance the parking needs of the applicant with the City's desire to not “overpark” the site. The Commission agreed that there is as an opportunity to manage the employee parking more efficiently with a robust Employee Parking Reduction Program as outlined in the draft conditions 4 through 8. The Commission did not support a reduction in parking in Phases I and II , but felt there was an opportunity with Phase III to reconsider parking numbers, evaluate actual on-site parking data, and explore underground parking options in order to reduce the number of above ground levels and height of the parking structures. The importance of strengthening bicycle and pedestrian connections continued to be emphasized.

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 are 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. Staff believe that the lighting analysis provided in the Draft EIR as well as an observation of the current on-site lighting conditions indicate that the proposed light standards on top of the garages will be adequately shielded from off-site locations such as Oak Avenue. The applicant previously installed flags to depict the east side

of the Village Shops North and South parking structures at the top of the parapet height which is 26 feet. The proposed parking structure lights would be another 11 feet above this 26 foot parapet height. On Friday May 17th through Thursday the 23rd, the applicant has indicated that they will be installing more flags and rope lights to define the west side of these deck at the same 26 foot top of parapet height. It is anticipated that the applicant will provide photographs of the flags and rope lights at the meeting.

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 C) . Separate Concept plans that show pedestrian, bike and transit connections have also been provided as part of this plan package. The Draft conditions included within Attachment A 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.

Staff has reviewed these plans with Fire, Police, Public Works, the Traffic Management Analyst, and the Traffic Engineer. A number of revisions will be required, most of which can be worked out through the conditions of approval and during the plan check process. Increased circulation connectivity, emergency vehicle access, bikeway locations, and transit stop improvements, as well as other details will need to be addressed. Staff has had discussions with the applicant on these items. As the plans for the project have continued to evolve and revised plans did not develop until very recently, there was not adequate time to incorporate comments from other Departments into the plans or the draft conditions of approval. Staff will present revised conditions of approval based on the latest plans with comments from all the Departments incorporated at the next meeting.

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 by the applicant and the latest revised sets are attached to the packet. (Attachment D) 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. The plans provided at this point are conceptual and show a variety of architectural styles. The quality of the design, materials, and finishes is depicted in the drawings and is important to note. The architectural design and details have made a lot of progress and staff is satisfied that these are heading in the right direction.

Planning Commission review of further architectural details would only be required at a notice public meeting if the design was significantly different from the concept plan or if either Phase proposed significant changes to the parking structures or building design. Phase II has not been worked out to the level of detail as Phase I, largely due to the fact that it includes the Macy's reconfiguration and RREEF is continuing to work with Macy's on their plans. Staff will ensure through the plan check process and conditions that the architecture is compatible with and similar in quality to Phase I, and that concerns of all the Departments are met. 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 recommend 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. The applicant has included this connection and the culvert improvement plans, including a “dog park” as part of Phase I. Staff anticipates that the improvement plans will be Phased so that most of the improvements are provided with the first Phase, however as future Phases are developed, revisions and further improvements will be required. Staff feels that the plans are fairly complete at this point and generally satisfy the goals of the City. Staff will provide more detailed conditions that include comments from other Departments and then review the 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 as a part of Attachment A. Staff has not had adequate time to update these conditions and include all of the comments and revisions suggested by the other Departments based on the revised plans that have been evolving over the past two weeks. These draft conditions have been provided to the applicant and they have indicated to staff that they would like to further discuss a number of these conditions. A few of their concerns are the Irrevocable Offers to Dedicate (IOD) land and provide street improvements adjacent to the project along Sepulveda, Rosecrans and Village Drive, the location and number of security cameras, the location of the Police Security area, and the timing and extent of the site-wide improvements (pedestrian, bike, transit, landscaping, signage). Staff will present revised conditions of approval based on the latest plans with comments from all the Departments incorporated at the next meeting.

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 recommend that the City Council 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 as detailed in the April 24th staff report attachments. The Land Use Section IV. E-1 of the Draft EIR (Attachment E) provides details of the General Plan and Sepulveda Development Guidelines goals, policies and programs. The applicants Land Use applicant packet, portion of Attachment A, 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

No new notice was sent out for this meeting, but it is anticipated that a new notice may be sent out for the June 26th meeting. No new written comments have been received since the April meeting. 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 revised 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 a brief introduction from staff, take public comments, accept the City's EIR Traffic Consultants presentation and then the applicants presentation and provide comments and direction on the proposed project.

Attachments:

- A. Planning Commission Staff report and attachments (excluding Att. H)- April 24, 2013
- B. Planning Commission Minutes- April 24, 2013
- C. **Hyperlink** to Planning Commission Plan packet- from Callison; applicants architect- Dated May 22, 2013
- D. **Hyperlink** to Draft Plan Check Guidelines/Architectural Design Details packet- from Callison; applicants architect- Dated May 14, 2013
- E. Hyperlink to Draft Environmental Impact Report (DEIR)
<http://www.citymb.info/manhattanvillage/index.html>
- F. Hyperlink to Final Environmental Impact Report (FEIR)-
<http://www.citymb.info/manhattanvillage/Final2013/index.html>

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