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RESOLUTION NO. PC 17-05

A RESOLUTION OF THE MANHATTAN BEACH PLANNING COMMISSION AMENDING
A MASTER USE PERMIT TO REFINE CERTAIN CONDITIONS OF APPROVAL
IMPOSED ON THE PERMIT FOR THE REMODEL AND EXPANSION OF THE
MANHATTAN VILLAGE SHOPPING CENTER LOCATED AT 2600 THROUGH 3600
NORTH SEPULVEDA BOULEVARD AND 1180 THROUGH 1200 ROSECRANS AVENUE
(RREEF AMERICA REIT CORP BBB II)

THE PLANNING COMMISSION HEREBY RESOLVES, FINDS AND DETERMINES:

SECTION 1. On December 2, 2014, the Manhattan Beach City Council adopted: (1) Resolution No. 14-0025 Certifying an Environmental Impact Report ("Final EIR") and adopting a Mitigation Monitoring Reporting Program ("MMRP"); and (2) Resolution No. 14-0026 approving an application submitted by RREEF American REIT Corp II BBB ("Applicant") for a Master Use Permit Amendment, a height variance, and amendment to the Master Sign program/sign exceptions (collectively "MUP") for the Manhattan Village Renovation and Expansion project ("Project") located at 2600-3600 North Sepulveda Boulevard 1180-1200 Rosecrans Avenue. At that time, the City Council determined that the Project was consistent with the General Plan and the City's Zoning Code and made all of the necessary findings to approve the MUP. On November 2, 2016, the Los Angeles Superior Court affirmed the decision of the City Council, denying a writ requesting that the court overturn the City Council's approval of the project.

SECTION 2. In December 2016, the Manhattan Beach Director of Community Development approved a modified site plan ("Approved Site Plan") for the Project, which was endorsed by the City Council on December 20, 2016. Pursuant to the California Environmental Quality Act ("CEQA"), an independent environmental consultant hired by the City performed an environmental analysis of the Approved Site Plan and prepared an addendum to the EIR. That addendum (hereinafter the "First Addendum") concluded that none of the conditions requiring a subsequent or supplemental EIR was present because the Approved Site Plan did not contain any substantial changes that would require revisions to the EIR. Based upon the First Addendum, the Director concluded that all impacts from the Approved Site Plan were the same as, or less than, the impacts of the Project

SECTION 3. The Approved Site Plan updated the Project by:

- Developing the Macy's Consolidation and the Northeast Parking Structure as the Project's first phase;
- Refining the Northeast Parking Structure layout and location to provide accelerated construction and improved Cedar Way/Rosecrans connection with the first phase and improved integration into future Project phases;
- Increasing parking from 2,712 spaces to 2,738 space, thereby increasing the parking ratio and redistributing that parking to maximize efficiencies;
- Modifying the layout of the plaza area and surrounding Village Shops to create an improved outdoor space that is also better integrated with the existing enclosed Mall entrance;
- Extending and connecting the 30th Street access road east from Carlotta Way to Cedar Way to improve vehicular and pedestrian circulation and improve access to the South Parking Structure; and
- Implementing other refinements to ensure an open and integrated design theme complementary to the City's unique coastal identity.

The Approved Site Plan conforms to the square footage limitations contained in Condition No. 18 and at buildout results in approximately 6,800 square feet less than what was approved by the City Council for the Project's first two phases. The Approved Site Plan also provides a total of approximately 2,738 spaces within the three parking garages and surface parking lots across the Project Site, resulting in a parking ratio of 4.23 spaces per 1,000 square feet of GLA.

SECTION 4. The Applicant has applied for an amendment to the MUP, to refine the following conditions of approval for the MUP (the "Refined Conditions") to facilitate the physical construction and construction sequencing of the approved project and Approved Site Plan. The conditions proposed to be refined are listed at the end of this resolution. As part of the application, the Applicant has submitted a diagram showing textual annotations to the Approved Site Plan to (1) reflect refined square footage tables to provide additional clarity regarding the "Village Shops' Component" square footage breakdown, (2) add notes to indicate the required left turn pockets from Carlotta Way onto 30th Street and 27th Street, (3) remove notes related to the lower level culvert parking, and (4) include an additional note regarding the total gross leasable area (GLA) throughout the Shopping Center. Pursuant to CEQA, the City engaged the services of an independent environmental consultant to perform an environmental analysis of the application. The independent consultant prepared the Second Addendum to the EIR, concluding that the Refined Conditions do not result in new significant impacts and do not require major revisions to the Certified EIR or First Addendum. In addition, substantial evidence supports the conclusion that the circumstances under which the Approved Project would be undertaken have not substantially changed, and there is no evidence of new or more severe environmental impacts arising out of any of the proposed changes. More specifically, the Refined Conditions would not result in any significant and unavoidable adverse impacts to the environment. No changes to the mitigation measures set forth in the adopted MMRP are proposed. In addition, there are no substantial changes in the existing conditions on or around the Shopping Center site that affect the analyses presented in the Certified EIR and First Addendum. Therefore, the proposed Refined Conditions do not meet the standards for preparation of a subsequent or supplemental EIR pursuant to State CEQA Guidelines Section 15162.

SECTION 5. On June 14, 2017, the Planning Commission conducted a duly noticed public hearing at which time it provided an opportunity for the public to provide oral and written testimony.

SECTION 6. Based on substantial evidence presented at the public hearing and pursuant to Manhattan Beach Municipal Code (MBMC) Section 10.84.060, the Planning Commission hereby finds:

- A. As a threshold issue, none of the modified conditions were required by CEQA or were mitigation measures required by the Final EIR or the MMRP. In 2014, the applicant voluntarily agreed to additional conditions of approval (e.g., parking spaces in the general vicinity of the building located at 3500 Sepulveda Boulevard, an elevator and staircase toward the western portion of the North Parking Deck, the setback for the top level of the north parking structure) to accommodate requests from owners of neighboring properties. None of those features were required by CEQA, or the MMRP to mitigate environmental impacts identified in the EIR. Further, there have been many comments about the Project, including from the owners of the property located at 3500 Sepulveda Boulevard, regarding the sequencing of construction, parking, and ways to improve the Project. In particular, they urged the Applicant to consider consolidating Macy's and constructing the Northeast parking structure first, and to implement cosmetic changes to provide a more open feel that would be compatible with the unique Manhattan Beach coastal environment. In light of such comments, the Applicant voluntarily agreed to certain conditions in 2014. Further, in 2016, the Applicant proposed changing the construction sequence of the Project to construct the Northeast parking structure and consolidate Macy's first, along with additional modifications. Such modifications were incorporated into the refined site plan approved by the City in December 2016, and environmentally analyzed in the First Addendum. A Notice of Determination of the City's approval of the Site Plan was recorded in December 2016, and no one timely challenged such approval on environmental grounds. The requested refinements to the conditions herein merely reflect the Approved Site Plan approved in 2016.
- B. In its independent judgment, and based upon the analysis contained in the Second Addendum, the Planning Commission hereby finds that none of the proposed refinements to the conditions of approval or the annotations contain substantial changes that would require revisions to the

EIR, as the refined conditions and the annotations to the Site Plan do not propose any physical changes to the Project. The refined conditions provide clarifications to facilitate the physical construction and construction sequencing of the Approved Project. Most are because of the changed construction sequence; placing the elevator and staircase slightly to the east allows each to go to the top deck (if they were on the west face, they would only reach the second floor because of the offset required) to enhance the visible appearance and move the top level of the deck further away from the homes on Oak Avenue, revisions to the vehicle access on Rosecrans, the culvert and the Northeast deck area improves circulation, access and connectivity throughout the parking areas and increases the total number and ratio of the parking spaces, the Fry's driveway and Sepulveda Boulevard access timing coincides with the Sepulveda Bridge construction. Likewise, the annotated Site Plan contains textual annotations to the Approved Site Plan only and the annotations do not change the physical construction or construction sequencing of the Approved Project. The Site Plan attached as Figure 1 simply annotates the Approved Site Plan approved by the City in December 2016 with textual changes to (1) reflect the refined square footage tables to provide additional clarity regarding the "Village Shops' Component" square footage breakdown, (2) add notes to indicate the required left turn pockets from Carlotta Way onto 30th Street and 27th Street, (3) remove notes related to the lower level culvert parking, and (4) include an additional note regarding the total gross leasable area (GLA) throughout the Shopping Center. With the exception of the clarifying annotations, the Site Plan is identical to that approved in 2016 and analyzed Addendum with the exception of a few clarifying notes. All of the mitigation measures required by the Mitigation Monitoring Program for the Project are unaffected, and will continue to apply and will be implemented. The findings contained in the Second Addendum are hereby incorporated by this reference.

- C. The refined conditions and annotations to the site plan do not in any fashion change or alter the findings that were made in 2014 at the time the MUP was approved. The findings contained in Resolution 14-0026 still apply to the Project, with the refined conditions of approval and annotations to the site plan, and are hereby incorporated by reference.

SECTION 7. After considering all of the evidence in the record, the Planning Commission, hereby **APPROVES** the Second Addendum and the Master Use Permit Amendment application subject to the following conditions:

1. The project shall be in substantial conformance with the Annotated Site Plan approved by the Planning Commission on June 14, 2017.
2. The Applicant shall comply with the following modified conditions, which supersede the corresponding conditions in Resolution 14-0026::

Condition No. 13 (f): Land Use

RREEF shall provide a two-way vehicle access entrance from Rosecrans Avenue to the Northeast Deck at its approximate northeast corner, connect the Northeast Deck to the lower level culvert parking lot and provide a U-turn or other turn-around option with a minimum outside turning radius of 30 feet, internally connecting the lower level culvert parking lot drive aisles.

Condition No. 36: Employee Parking Management Program

The Project shall provide an Employee Parking Management Program to encourage remote parking, parking in the lower level parking lot, off-site parking, walking, biking, transit use, carpooling and other forms of alternative and non-motorized transportation, and incentives to reduce employee parking. Street or other public parking, other than the leased City parking lot off the Village Drive, shall not be used for employee parking. The Program shall actively promote reducing employee parking, shall prohibit parking in structures and certain surface lots during the peak parking season, and shall include active enforcement by Shopping Center personnel. The Program shall be submitted to the Community Development Department and the City Traffic Engineer for review and approval with the submittal of plans for Phase I and annual reporting shall be provided.

The City will review and approve the Program and RREEF shall implement the Program and install any required improvements per the approved Program prior to the issuance of the first building permit for any retail portion of the Village Shops or the repurposing of the Macy's Men's store, whichever is first. City may request periodic review and adjustment of the Employee Parking Management Program, in cooperation with RREEF, if needed to ensure the goals of this condition and the Program are being met.

Condition No. 37: Valet Parking Management Plan

RREEF shall provide a Valet Parking Management Plan to designate valet parking areas, circulation, hours, days, rates, validations, operations, terms remote drop-off/pick-up location, signage, passenger drop-off and pick-up, implementation schedule, etc. The Plan shall be submitted to the Community Development Department and the City Traffic Engineer for review and approval with the submittal of construction plans for the North Deck. Any voluntary interim valet parking plan proposed by the applicant shall be submitted for review and approval prior to its implementation. The City will review and approve the Plan and RREEF shall implement the Plan when the North Deck opens, in accordance with the approved implementation schedule in the Plan. If it is determined that the valet parking is not being fully utilized, RREEF may modify or cease providing valet parking with the approval of the Director of Community Development.

Condition No. 39: Sepulveda Boulevard

The retention, modification, relocation and/or removal of the existing Fry's driveway off Sepulveda Boulevard that accesses the Northwest Corner may be phased as follows: (a) Until Fry's vacates the site or the completion of the Sepulveda Bridge widening project, whichever comes first, the existing driveway condition (entry and exit, right in and out) may remain (and thereafter, if elimination of the right-turn out is not required by Caltrans); (b) Upon completion of the Sepulveda Bridge widening project, or when Fry's vacates the site, whichever comes first, the driveway must be reconfigured/relocated to be entry, right-in only, unless the elimination of the right-turn out is not required by Caltrans; (c) if at any time the site is vacant the driveway shall be barricaded from use or removed; (d) if at any time the site is vacant for 12 months the driveway shall be removed. If the driveway is removed then the curb, gutter, sidewalk and any other required improvements shall be installed by RREEF as soon as possible, as determined by the City, unless building plans for Phase III have been approved in which case the improvements will be installed with the Phase III construction; and (e) if the driveway is removed any future driveway for Phase III – Northwest Corner development shall be entry right-in only. Plans for the driveway modifications or removal/relocation and related improvements shall be submitted to the City and Caltrans and shall include a schedule for completion of the improvement in coordination with and tied to the completion of the Sepulveda Bridge expansion. The City will cooperate with RREEF to secure approvals affecting this Fry's Sepulveda driveway. The driveway modifications or removal/relocation and related improvements shall be completed by RREEF per the approved Plan and schedule. RREEF shall coordinate driveway modifications or removal/relocation with the Sepulveda Bridge widening project.

Condition No. 40: Rosecrans Avenue

RREEF shall provide an irrevocable offer to dedicate (IOD), for a new acceleration/deceleration lane and improved sidewalk on the south side of Rosecrans Avenue, beginning a minimum of 160 feet west of the future Cedar Way extension to the easternmost driveway serving the Northeast Deck off of Rosecrans Avenue prior to issuance of permits for Phase I. The IOD shall provide for a 12 foot curb lane width and 8 foot sidewalk; however, the sidewalk shall be continuous from Sepulveda Boulevard to Village Drive. RREEF shall submit plans for the improvements to the Public Works, Fire, Police and Community Development Departments and the City Traffic Engineer, for review and approval, for the eastern portion serving as a turn lane into the Northeast Deck off of Rosecrans Avenue with the submittal of plans for Phase I. RREEF shall

submit plans for the improvements to the Public Works, Fire, Police and Community Development Departments and the City Traffic Engineer, for review and approval, for the portion adjacent to the Cedar Way extension and for the easternmost driveway with the submittal of plans for the Northeast Deck. RREEF shall dedicate the property and construct the eastern portion serving as a turn lane into the Northeast Deck per plans approved by the City in connection with the construction of the Northeast Deck. Also in connection with the construction of the Northeast Deck, RREEF shall construct the portion adjacent to the Cedar Way extension.

Condition No. 48: Marine Avenue-Cedar Way

The existing driveway access at Marine Avenue and Cedar Way shall be improved to provide one or two inbound lanes and three outbound lanes, and shall be designated to accommodate emergency vehicle access. The widening shall include all related public and private improvements, and dedication of land if necessary, to accommodate the improvements. RREEF shall submit plans for the improvements to the Public Works, Fire, Police and Community Development Departments and the City Traffic Engineer, for review and approval, with the submittal of the plans for Phase I. RREEF shall construct the improvements per the plans approved by the City prior to the issuance of the building permit final or certificate of occupancy for the Northeast Parking Deck.

Condition No. 50(g): Traffic, Circulation, and Parking Plan

The North Parking Structure shall include a stairway and elevator in the western half of the parking deck to provide external access to all parking levels.

Condition No. 50(r): Traffic, Circulation, and Parking Plan

The North Parking Structure shall be limited to G+2, with level 2 set back a minimum of 177 feet from the eastern boundary of the Hacienda building property line, and the western edge of the parking structure's footprint set back no less than 112 feet from the eastern boundary of the Hacienda building property line (so that the western-most 60 feet of the parking structure essentially is capped at G+1).

Condition No. 50(s): Traffic, Circulation, and Parking Plan

A minimum of 580 total parking spaces shall be provided in the Northeast Parking Deck and in the lower level culvert parking lot.

3. The Applicant shall comply with all other conditions of approval contained in Resolution No. 14-0026, unless otherwise modified herein in condition 2.
4. *Terms and Conditions are Perpetual; Recordation of Covenant.* The provisions, terms and conditions set forth herein are perpetual, and are binding on RREEF, their respective successors-in-interest, and, where applicable, all tenants and lessees of RREEF. Further, RREEF shall record a covenant indicating its consent to the conditions of approval of this Resolution with the Office of the County Clerk/Recorder of Los Angeles. The covenant is subject to review and approval by the City Attorney. RREEF shall deliver the executed covenant, and all required recording fees, to the Department of Community Development within 30 days of the adoption of this Resolution. If RREEF fails to deliver the executed covenant within 30 days, this Resolution shall be null and void and of no further effect. Notwithstanding the foregoing, the Director may, upon a request by RREEF, grant an extension to the 30-day time limit.

I hereby certify that the following is a full, true, and correct copy of the Resolution as **ADOPTED** by the Planning Commission at its regular meeting on June 14, 2017 and that said Resolution was adopted by the following vote:

AYES: Ortmann, Morton, Seville-Jones, Burkhalter

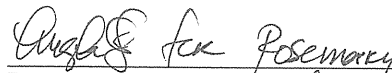
NOES: None

ABSTAIN: None

ABSENT: Apostol



Anne McIntosh
Secretary to the Planning Commission



Rosemary Lackow
Recording Secretary

