

Agenda Date: 8/15/2017

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Anne McIntosh, Community Development Director
Laurie Jester, Planning Manager
Rafael Garcia, Assistant Planner

SUBJECT:

Master Use Permit Amendment to Refine Certain Conditions Imposed as Conditions of Approval at the Time the City Council Conditionally Approved a Master Use Permit Amendment 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 (Manhattan Village Shopping Center) (Community Development Director McIntosh).

**AFTER CONDUCTING PUBLIC HEARING, DIRECT STAFF TO PREPARE A
RESOLUTION APPROVING THE APPLICATION**

RECOMMENDATION:

Staff recommends that after conducting the public hearing, the City Council direct staff to prepare a resolution to approve the request for Council consideration at a future Council meeting.

EXECUTIVE SUMMARY:

On December 2, 2014, the City Council adopted Resolution 14-0026 conditionally approving, *inter alia*, an amendment to the existing Master Use Permit for the Manhattan Village Renovation Project. In late 2016, the Director of Community Development approved an updated Project site plan ("Approved Site Plan"), which was then endorsed by the City Council on December 20, 2016 at a duly noticed public meeting.

In the application before the Council tonight, Applicant requests modifications to nine conditions of approval in Resolution 14-0026 to refine language and to correspond to the Approved Site Plan. Resolution 14-0026 (Attachment 1) contains over 70 Conditions of Approval.

After conducting a duly noticed public hearing on June 14, 2017, the Planning Commission adopted Resolution No. PC 17-05 (Attachment 6) approving the modified conditions of approval. 3500 Sepulveda, LLC, the owner of the Hacienda Building, appealed the Planning Commission's decision (Attachment 3). The Municipal Code provides that appeals of Commission decisions are considered at public hearings *de novo*. *De novo* means that the Council must take a "fresh look" at all the evidence presented at the public hearing and, after the public hearing is closed, base its decision on the evidence presented at the hearing. The Applicant (not the Appellant) has the burden of showing that the proposal to modify conditions satisfies the necessary findings.

As shown in more detail in the following section, staff and the Planning Commission agree that the Applicant has met its burden of showing that its requested modifications to certain Conditions of Approval satisfy all necessary findings set forth in the Manhattan Beach Zoning Code and under state law, and are consistent with the Approved Site Plan.

DISCUSSION:

On May 5, 2017, RREEF America REIT Corp BBB II ("Applicant") submitted an application to amend certain conditions of approval that were imposed by the City Council when it approved the remodeling and expansion of the Manhattan Village Shopping Center in 2014. Material submitted by the Applicant in support of its application is provided as Attachment 2.

In 2016, the Applicant submitted an updated site plan that changed the construction sequence of the Project to construct the Northeast parking structure and consolidate Macy's first, and made other modifications in response to comments made by the public. (The updated site plan is the same site plan that was approved by the City in December 2016 and is referred to herein as the Approved Site Plan.)

In light of the refinements to the project design approved by the City and endorsed by the City Council in December 2016, the Applicant is now requesting corresponding modifications to the 2014 conditions of approval. Originally, the applicant planned to construct the Project in two phases, with the central area to the west of the existing main enclosed mall known as the "Village Shops" constituting the first phase of development. RREEF anticipated expanding the existing Macy's store and constructing the Northeast Parking Structure in the second phase of development. However, the Macy's consolidation and construction of the Northeast Parking Structure will now occur in the first phase of development. In addition, the Applicant has added additional annotations to the Approved Site Plan, which provide additional graphic information as to design features.

The refined conditions help facilitate the implementation of the Northeast Parking Structure and Macy's consolidation in the first phase of Project construction and are consistent with the overall intent of the Amended Master Use Permit (MUP) approved in December 2014 (City Council Resolution No. 14-0026- Attachment 1).

Manhattan Beach Zoning Code Section 10.84.060A sets forth the findings that are necessary to approve a MUP, and any amendments thereto. In 2014, there was substantial evidence to support the Council's findings as to the Project, and the Council findings cannot be challenged now. In essence, the necessary findings required by the Zoning Code and

state law are designed to ensure that proposed land uses are compatible with surrounding uses and will not be detrimental to surrounding uses or the City in general. The refinements to the conditions and the annotations to the site plan do not change the land uses of the overall Project or adversely affect or alter the findings made by the City Council in 2014. Specifically:

1. The proposed location of the use is in accord with the objectives of the Zoning Code and the purposes of the district in which the site is located. As detailed in Resolution No. 14-0026, the Project site is located within Area District II and, with the exception of the northwest portion of the Project Site, is zoned Community Commercial (CC). The purpose of the CC zoning district is to provide sites for planned commercial centers that contain a wide variety of commercial establishments. When it approved the MUP in 2014, the City Council found that the Project was consistent with the purposes of the CC zone, a finding that cannot be challenged now.

The refined conditions will ensure that the Project continues to be consistent with the purposes of the CC zone. Importantly, the refined conditions will help facilitate the implementation of the Macy's consolidation in the first phase of construction to ensure its completion as a vital Project component. Accelerating the Macy's consolidation will further improve the viability of a wide variety of uses, such as retail, services, restaurants, grocery store, banks and offices that will continue to be provided on the Project Site. Also, implementing the Macy's consolidation in the first phase ensures that the Project will maintain and enhance its character as a planned commercial center that offers a different and complementary shopping experience to Manhattan Beach. The refined conditions do not change the allowed restaurant or medical or dental office square footage limits, and do not amend any condition related to allowed uses or allowed square footage.

Another one of the purposes of the Commercial Districts is to ensure the provision of adequate off-street parking and loading facilities. During plan check, the Northeast Parking Deck has been further refined to accommodate a slight change in the position of the pedestrian bridge from that structure to Macy's, resulting in a decrease of parking in the structure from 514 spaces shown in the Approved Site Plan to 499 spaces and some additional surface parking. Even with this minor deviation, the Project provides a total of 2,726 spaces within the parking garages and surface parking lots, resulting in a parking ratio of 4.22 spaces per 1,000 square feet of gross leasable area ("GLA"), which exceeds both the minimum parking required by the City Council in 2014, and the parking supply shown in the site plan approved in 2014: 2,712 spaces at ratio of 4.16 spaces per 1,000 square feet. This parking supply and ratio are still fully consistent with the Revised Conditions now being proposed. The Applicant has submitted a revised site plan showing those deviations to the plan and its legend for illustrative purposes (Attachment 3, Illustrative Site Plan, dated August 8, 2017). As was true with other minor modifications (such as the deviations approved by the Community Development Director in 2016 when she approved the Approved Site Plan), due to changed circumstances created by, among other things, refinements in the design plans, phasing sequence or field conditions, the Director has the authority to approve such deviation. (Once again, neither the Approved Site Plan, nor the deviations, is the subject of this public hearing. The issue for the council is whether to approve the refinements to the conditions.) In sum, the Refined Conditions facilitate development of the Project as currently contemplated and help improve overall traffic

circulation within the Project site to increase the convenience and improve the overall experience of the public when visiting the Shopping Center.

2. The proposed location of the use and the proposed conditions under which it would be operated or maintained will be consistent with the General Plan; will not be detrimental to the public health, safety or welfare of persons residing or working on the proposed project site or in or adjacent to the neighborhood of such use; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the City. As is true with the other required findings, this finding is focused on whether a proposed land use is compatible with, and not detrimental to, surrounding uses. Where, as in the present case, there are no changes to the uses approved by the City Council in 2014, the sole inquiry is whether the proposed refinements to the conditions “under which the use will be operated and maintained” negate the findings made by the City Council in 2014.

The refinements to the Conditions of Approval will not impact the findings made by the City Council in 2014 because such modifications will facilitate the enhancement of the Project’s consistency with the General Plan’s five categories of Goals and Policies by:

- Not changing any of the Project design features or EIR Mitigation Measures that limit or mitigate potential impacts
- Helping to facilitate the development of the Macy’s Consolidation in the Project’s first construction phase to maintain its viability as a regional serving shopping district and to promote the expansion of the anchor tenants
- Not changing to the utilization of quality materials and visually interesting architecture, while facilitating a diverse mix of uses and services that residents and patrons can enjoy year-round.
- Not changing the creation of hubs of activity that are mindful of resource usage, such as landscape placement and facilitate community gathering places that reflect the unique culture of the city.
- Not changing the utilization of buffer zones, appropriately located uses, and smart site planning to ensure compatibility with surrounding land uses.
- Ensuring that the proposed on- and off-site improvements will result in significantly improved on- and off-site traffic circulation and parking during each of the Project’s construction phases and after construction.

3. The proposed use will comply with the provisions of the Zoning Code, including any specific condition required for the proposed use in the district in which it would be located. Once again, this finding is focused on the impacts of a proposed use, in this case, whether the “use will comply with the provisions of the Zoning Code.” The refined conditions will not impact the Project’s compliance with the Zoning Code.

4. The proposed use will not adversely impact nor (sic) be adversely impacted by nearby properties. Potential impacts are related but not necessarily limited to: traffic, parking, noise, vibration, odors, resident security and personal safety, and aesthetics, or create demands exceeding the capacity of public services and facilities which cannot be mitigated.

Once again, this finding is focused on the impacts of a proposed land use, in this case, whether the “use will adversely impact or be adversely impacted by nearby properties.” As

stated previously, the modified conditions do not change any land uses. The potential impacts listed in this particular finding required by the Zoning Code are the type of impacts that are typically analyzed and studied under CEQA. As a threshold issue, none of the proposed refined conditions was required by CEQA or was a mitigation measure required by the Final EIR or the MMRP. In general, the potential impacts related to traffic, parking, noise, vibration, odors, resident security and personal safety, and aesthetics arising from the Project were analyzed and studied in the Final EIR, upheld by the Superior Court, and are no longer subject to challenge. Specifically, the potential impacts arising from the Approved Site Plan approved in 2016 were analyzed and studied in the First Addendum, which, likewise, is final and not subject to challenge. Finally, as to the refined conditions that are the subject of this public hearing, independent CEQA consultant Eyestone Environmental and traffic engineering company Gibson Transportation Consulting, Inc., analyzed and studied the modified conditions in the Second Addendum, and concluded that none of the conditions have adverse impacts on, or are adversely affected by, neighboring properties because there are no new impacts caused by the Refined Conditions. In addition, all of the mitigation measures required by the Mitigation Monitoring Program for the Project will continue to apply and will be implemented.

Site Background/Related Approvals

The Manhattan Village Shopping Center was originally approved and constructed in 1979. After certifying an EIR for the project, the City Council adopted Resolution 14-0026 in 2014 which approved an amendment to the existing Master Use Permit and other related approvals. Shortly thereafter, a lawsuit was filed by Sensible Citizens of Manhattan Beach challenging the City Council's approval of the Project and certification of the EIR. On November 2, 2016, the Los Angeles Superior Court ruled that the Council had acted correctly and complied with all applicable laws in certifying the EIR and approving the Project. The Applicant and Sensible Citizens have recently agreed to settle the litigation, and Sensible Citizens has submitted a letter in support of the refinements to the conditions (and the Approved Site Plan) (Exhibit 6). On December 6, 2016 the City Council approved a height variance to allow a clerestory, parapet walls and main mall entrances extend above the maximum allowed height. The expansion project approved in 2014 is currently in design and under construction. Applicant is now seeking modifications to the Conditions of Approval that were imposed in 2014.

The Approved Site Plan substantially conforms to the MUP, and improved the Project in a number of beneficial ways 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;
- 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.

In addition, the Approved Site Plan, as revised this summer, increased parking from 2,712 spaces to 2,726 spaces, thereby increasing the parking ratio to 4.22 spaces per 1,000 square feet of GLA and redistributing that parking to maximize efficiencies.

The Approved Site Plan, as revised, is approximately 6,800 square feet less than what was approved by the City Council for the Project's first two phases.

The Subject Application: Request to Refine Conditions of Approval

The Applicant proposes the following refinements to the adopted Conditions of Approval to facilitate the physical construction and construction sequencing of the approved Project and Approved Site Plan. Following is a list of the proposed refinements, shown as underline and strikeout, with staff's analysis of each proposed change:

1. Condition No. 13(f): Northeast Deck Rosecrans Access

Proposed Refinement: RREEF shall provide a ~~U-turn, traffic circle, or other connection at the Rosecrans Avenue~~ two-way vehicle access entrance from Rosecrans Avenue to the Northeast Deck at its approximate northeast corner, ~~connect the Northeast Deck in 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, ~~to internally connecting the lower level culvert parking lot drive aisles.~~

Analysis: The original site plan provided a long "culvert" parking lot extending from Rosecrans Avenue on the east to the Veterans Parkway on the west. This long parking lot was conditioned to provide adequate turn-around opportunities for vehicles, particularly emergency vehicles. The Approved Site Plan no longer includes "culvert" parking all the way to Rosecrans Avenue. Instead, the lower level culvert parking lot east of Cedar Way will be located within the lower level of the Northeast Parking Structure. The Approved Site Plan now provides the opportunity to enter the lower level of the Northeast Parking Structure from Rosecrans Avenue with a connection under the Cedar Way extension to the lower level culvert parking lot. The lower level culvert parking lot also can be accessed from Carlotta Way via a ramp which provides emergency vehicle access to the culvert, and adequate turn-around opportunities within the lower level culvert parking lot are provided. The modified language more clearly achieves the Condition's objectives in light of the Approved Site Plan. This modification improves both vehicular and pedestrian connections between the lower level parking (culvert) and the greater shopping center site. A new two-way roadway connection/ramp will be provided that will accommodate vehicular, bicycle and pedestrian access directly between the culvert and shopping center adjacent to the Hacienda Building (owned by the Appellant) located at 3500 Sepulveda. The new and improved connections will make the lower level parking spaces and Northeast Parking Structure more useable for both the shopping center and Hacienda patrons and employees.

2. Condition No. 36: Employee Parking Management Program

Proposed Refinement: 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 final permit for any retail portion of the Village Shops or the repurposing of the Macy's Men's store, whichever is first Phase I. 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.

Analysis: On its face, the change to this condition appears to change the timing of requiring an Employee Parking Management Program. However, the need to install improvements required by the Employee Parking Management Program generally coincides with the increase in employees which results from net new square footage in the Village Shops. The Macy's Consolidation consolidates the existing Macy's and Macy's Men's Store, and, consequently, no net new employees are anticipated from the consolidation. Similarly, it is not anticipated that the relocation of the California Pizza Kitchen will result in an increase in employees. Consistent with the original Condition's intent, the proposed modification ties the Program implementation and installation of improvements to the introduction of new employees at the Shopping Center. In the interim, the Shopping Center will continue to implement its approved Employee Parking Management Program. Condition of approval #49 requires a Construction Traffic and Parking Management Plan (CTPMP) to be implemented during all construction activity. An interim Employee Parking Management Program is a component of the CTPMP and will ensure that there is adequate employee parking and access during all construction.

3. Condition No. 37: Valet Parking Management Plan

Proposed Refinement: 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 Phase I 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.

Analysis: This is another refinement that is necessitated by the change in the construction sequence. The valet drop-off and pick-up will be located in the North Parking Deck, with the Valet Parking Program implemented when the North Parking Deck opens. Because the North Parking Deck is no longer a part of the first phase of construction, the reference in this Condition to “Phase I” is no longer applicable. The modification simply clarifies the Condition to reflect the revised Project phasing. Additionally, any interim plan will need to be approved before being implemented.

4. Condition No. 39: Fry’s driveway-Sepulveda Boulevard

Proposed Refinement: 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) ~~Through the end of the 2016, or when~~ 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) ~~At the end of 2016, 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) ~~At the end of 2016, if Fry’s continues to occupy the site or if at any time another tenant occupies the existing site, the Sepulveda driveway must be reconfigured/relocated to be entry, right in only;~~ (d) ~~(c)-~~ if at any time the site is vacant the driveway shall be barricaded from use or removed; (e) ~~(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 (f)-(e) if the driveway is removed any future driveway for Phase III - Northwest Corner development shall be entry right-in only. Prior to December 31, 2016, pPlans 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.

Analysis: The timing of work to reconfigure the “Fry’s Sepulveda driveway” is tied to the Cedar Way extension to Rosecrans. Ingress into and egress from the Fry’s parking lot to Sepulveda Boulevard is necessary until the alternative access provided with the Cedar Way extension to Rosecrans is completed. The proposed modifications reflect the need to maintain adequate access to the Fry’s parking lot as well as recognition of the need to ensure coordination with the Sepulveda Bridge widening. This condition was modified at the Planning Commission meeting in response to comments from Fry’s, to allow more flexibility based on Caltrans requirements. Fry’s now supports the condition, as modified by the Planning

Commission.

5. Condition No. 40: Offer to dedicate-Rosecrans Avenue

Proposed Refinement: 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 ~~lower-level parking~~ 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 ~~lower-level parking driveway~~ 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 ~~with Phase II~~ and for the easternmost driveway with the submittal of plans for ~~Phase II~~ the Northeast Deck, ~~or six months following the vacation of Fry's from the site, whichever comes first.~~ RREEF shall dedicate the property and construct the eastern portion serving as a turn lane into the Northeast Deck ~~lower-level parking driveway~~ per plans approved by the City in connection with the construction of ~~Phase I~~ the Northeast Deck. Also in connection with the construction of ~~Phase II~~ the Northeast Deck, RREEF shall construct the portion adjacent to the Cedar Way extension.

Analysis: This is yet another refinement necessitated by the changed construction sequence. The proposed modifications to this Condition clarify that the deceleration lane and related connections to the Shopping Center parking from Rosecrans are constructed at the same time as the Northeast Parking Deck to ensure connectivity and circulation are in place when the Northeast Parking Deck is completed. Because RREEF has accelerated the Northeast Parking Deck to the first phase of construction, the proposed Condition modifications ensure that the construction of the deceleration lane and related connections are also accelerated from the previously contemplated Phase II.

6. Condition No. 48: Marine Avenue-Cedar Way

Proposed Refinement: 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 a certificate of occupancy for the Northeast Parking Deck ~~Phase I~~.

Analysis: This refinement is necessitated by the change in construction sequence-with the Northeast Parking Deck in Phase I per the Approved Site Plan approved in 2016-to ensure the street improvements to the driveway access at Marine Avenue and Cedar Way are completed prior to the Northeast Parking Deck being available to the public. The language above includes a slight variation to the Applicant's proposal: Staff added the words "building permit final" in addition to the "certificate of occupancy" threshold. This clarifies that the Cedar Way and Marine Avenue improvements will be completed before the Northeast Deck is open. This change in construction sequence was studied and analyzed in the First Addendum in 2016, which concluded that the change in construction sequence did not constitute a substantial change that would require revisions to the EIR. As noted previously, the First Addendum is final and not subject to challenge. The refined condition was studied and analyzed in the Second Addendum, which concluded that making the condition conform to the Approved Site Plan did not constitute a substantial change that would require revisions to the EIR.

7. Condition No. 50(q): Stairway and Elevator-North Parking Deck

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

Analysis: This Condition as drafted specifies that the North Parking Structure must include a stairway and elevator on the "west side of the parking deck." The Approved Site Plan includes a stairway and elevator on the western side of the parking deck connecting all levels to the ground level. The proposed refinements make it clear that the stairway and elevator must still serve all levels of the North Parking Structure.

8. Condition No. 50(r): Setback- North Parking Deck

Proposed Refinement: The North Parking Structure shall be limited to G+2, with level 2 set back ~~90~~ 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 ~~90-60~~ feet of the parking structure essentially is capped at G+1).

Analysis: Staff agrees that this refinement is appropriate. The intent of the Condition, as imposed in 2014, is to limit potential visual impacts associated with the mass, scale and size of the G+2 level of the North Parking Structure on the Hacienda Building and residences west of the Shopping Center. Construction drawing refinements have resulted in the western edge of the G+2 level being adjusted approximately 30 feet west. This adjustment does not result in a significant visual impact to the Hacienda Building and residences west of the Shopping Center as indicated in the 2016 Addendum (the First Addendum). The proposed modification uses a fixed point to set forth the size of the North

uses a fixed point to set forth the size of the North Parking Structure's western boundary and to limit the size of the G+2 level in a manner consistent with the objective of the Condition.

9. Condition No. 50(s): Parking layout

Proposed Refinement: A minimum of 580 total ~~Thirty additional~~ parking spaces shall be provided in the Northeast Parking Deck and on the west side of in the lower level culvert parking lot ~~with pedestrian access to the 3500 Sepulveda building.~~

Analysis: The purpose of the original Condition was to provide accessible parking to the Hacienda Building, and the Approved Site Plan complies with the intent of this condition because (1) the overall number of spaces in the Northeast Parking Structure and lower level culvert parking lot has increased from 507 to 599 spaces and (2) the Northeast Parking Structure has been moved a bit closer to the Hacienda Building. The revisions to the Condition are designed to ensure that the Hacienda Building still has parking in close proximity, while allowing RREEF to develop the additional and more efficiently placed parking spaces throughout this area of the Shopping Center.

THE APPEAL:

An attorney for 3500 Sepulveda (owners of the Hacienda Building) states that the basis of the appeal is the client's opposition to modifying certain of the subject conditions. 3500 Sepulveda alleges: (1) the refinements adversely impact its property; and (2) the City has not complied with CEQA as to the refined conditions. As shown in the Environmental Review Section below, the City has fully complied with CEQA. As to the impacts on the Hacienda Building, there will be no negative impacts, and some positive benefits, arising from the modifications 3500 Sepulveda opposes. Modifications to the conditions in fact improve customer access to the parking lots nearest to the Hacienda Building and reduce parking pressure on the lots nearest the Hacienda Building.

DEPARTMENT COMMENTS:

The Building Division, City Traffic Engineer, and Public Works Engineer Division support the proposed modifications.

PUBLIC PARTICIPATION AND NOTICE:

A notice of the public hearing for this application was mailed to all owners of property within 500 feet of the project site boundaries and to persons previously expressing interest in the project, and was published in the Beach Reporter newspaper on August 3, 2017. Additionally, staff provided additional courtesy notices to attorneys for the Applicant and the Appellant.

ENVIRONMENTAL REVIEW:

When approving the Project in December 2014, the City certified an Environmental Impact Report. Prior to approving the Approved Site Plan in 2016, the City engaged an independent environmental consultant, Eyestone Environmental, to review it and assess its potential environmental effects to determine whether a subsequent or supplemental EIR should be prepared. Eyestone Environmental prepared an Addendum to the EIR after concluding that that none of the conditions requiring a subsequent or supplemental EIR was present because the now-Approved Site Plan did not contain any substantial changes that

would require revisions to the EIR. Based on the analysis and evidence set forth in the Addendum, the City, exercising its independent judgment, concluded that all impacts from the Approved Site Plan were the same as, or less than, the impacts of the Project, and approved the Site Plan.

Similarly, for this proposed Master Use Permit Amendment for the condition refinements, the City engaged Eyestone Environmental to review the proposal and assess its potential environmental effects. Eyestone Environmental prepared a second Addendum to the EIR and reached the same conclusion as with the 2016 Approved Site Plan, as the Refined Conditions of Approval reflect the site plan that was analyzed in the First Addendum. Specifically, none of the conditions in CEQA which would require a subsequent or supplemental EIR is present because the proposed condition refinements do not contain any substantial changes that would require revisions to the EIR. The Approved Site Plan is the same as that analyzed by the First Addendum in 2016, with the addition of a few non-substantive clarifying notes and the minor deviation noted above regarding parking spaces in the Northeast Parking Structure, and is provided for illustrative purposes. All of the mitigation measures required by the Mitigation Monitoring Program for the Project will continue to apply and will be implemented.

ALTERNATIVES:

The City Council has the following options:

1. Direct staff to draft a resolution containing findings to approve the request.
2. Direct staff to draft a resolution containing findings to deny the request.

If the Council opts for Option 1, staff will draft a proposed resolution for Council consideration at a future meeting, possibly September 5, 2017.

CONCLUSION:

Staff recommends that after the City Council conducts the public hearing and deliberates, that it directs staff to draft a resolution approving the application, to be returned at a future meeting for Council adoption.

Attachments:

1. City Council Resolution No. 14-0026
2. Application and Related Materials
3. Illustrative Site Plan (Dated August 8, 2017)
4. Appellant's Appeal (Dated July 5, 2017)
5. EIR Addendum No. 2 (Dated June 8, 2017)
6. Letter from Sensible Citizens of Manhattan Beach (Dated August 9, 2017)
7. Planning Commission Resolution No. PC 17-05
8. Planning Commission Report, Planning Commission Meeting Minutes June 14, 2017, and Related Material (Web-Link Provided)
9. Complete Staff Report (Only Available Online)