

RESOLUTION NO. 21-0044

RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL: (1) APPROVING A MASTER USE PERMIT FOR A 161-ROOM, 81,771 SQUARE-FOOT HOTEL AND A 14,500 SQUARE-FOOT RETAIL AND OFFICE BUILDING, FULL ALCOHOL SERVICE FOR HOTEL PATRONS AND THEIR GUESTS, AND PARKING PURSUANT TO MUNICIPAL CODE SECTION 10.64.050B; (2) AND MAKING AN ENVIRONMENTAL DETERMINATION OF CATEGORICAL EXEMPTION IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (600 S. SEPULVEDA BOULEVARD)

THE MANHATTAN BEACH CITY COUNCIL HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

SECTION 1. MB Hotel Partners, LLC (“Applicant”) has submitted an application for a Master Use Permit for a 81,771 square-foot four-story hotel and a 14,500 two-story retail and office building, with alcohol service for hotel patrons and their guests, and reduced parking (collectively, the “Project”). The Project is proposed for 600 S. Sepulveda Boulevard (the “Site” or “Subject Property”), which is located in the Sepulveda Boulevard Commercial Corridor and is zoned General Commercial (CG). Manhattan Beach Municipal Code (“MBMC”) Section 10.84.105 requires a Master Use Permit to authorize multiple uses on a site with more than 5,000 square feet of buildable floor area or more than ten thousand feet 10,000 of land acreage of the Site and of the proposed Project. A Use Permit is also required for hotels, alcohol service, and reduced parking. The property is owned by 600 Sepulveda LLC (the “Property Owner”).

SECTION 2. As part of its zoning practices, the City establishes overlay districts to provide a mechanism to establish specific development standards and review procedures for certain areas of the City with unique needs, consistent with General Plan policies. Pursuant to the MBMC, establishment of overlay districts “will ensure that the low-profile image of the community is preserved and neighborhoods protected from adverse effects of noise and traffic. It also will prevent development that may be detrimental to these areas, such as buildings that affect the privacy of adjoining properties or increases shadows.”

SECTION 3. Sepulveda Boulevard is California State Highway 1, Manhattan Beach’s principal north-south commercial thoroughfare. In September 2017, the City commenced the Sepulveda Initiatives Planning Project, a collaboration with a community-based Ad Hoc Working Group and, subsequently, the “Sepulveda Initiatives Task Force,” to formulate recommendations related to height, setbacks, and compatible land uses for Sepulveda Boulevard. Comprised of residents, business owners, property owners, and real estate professionals, the Sepulveda Initiatives Task Force met on several occasions to discuss appropriate uses for Sepulveda Boulevard and policies for improving the aesthetics and interface between commercial and residential properties. After extensive

public input, the Task Force presented a report to the Planning Commission and the City Council. One of the primary recommendations of the report was increasing the allowable height for certain types of uses that might require additional height to design an economically viable project, with minimal impact upon residences. The Task Force considered a number of uses, including hotels. To ensure compatibility with residential neighborhoods near Sepulveda Boulevard, the Task Force recommended that if the City Council were to allow taller hotels, such hotels should be limited to lots large enough to accommodate sufficient buffers with residential neighborhoods. After surveying Sepulveda Boulevard within the City limits, City staff prepared a map identifying suitable locations. One of the lots identified as large enough to accommodate a taller hotel is the Site. On March 6, 2019, the City Council amended the Zoning Code to establish the Sepulveda Boulevard Corridor Overlay District and allow 40 foot hotels on certain minimum sized lots within CG zoned lots along Sepulveda Boulevard, including the Subject Property, subject to a use permit. The City Council's adoption of the Zoning Code amendment creating the Sepulveda Boulevard Corridor Overlay District was not challenged and is now final, conclusive, and beyond challenge.

SECTION 4. On October 14, 2020, the Planning Commission conducted a duly noticed public hearing to consider the Project, during which the Planning Commission received a presentation by staff and testimony from the Applicant and members of the public both supporting and opposing the Project. The Planning Commission also received and reviewed written testimony received prior to the public hearing. After considering public comment, the Commission continued the public hearing to November 18, 2020 and requested that the Applicant modify the plans and provide additional information to address issues raised at the public hearing. On November 18, 2020, the Planning Commission resumed the public hearing to consider the modified Project. The Planning Commission received another presentation by staff and testimony from the Applicant and members of the public both supporting and opposing the Project. The Planning Commission also received and reviewed written testimony received prior to the public hearing. After the public hearing was closed, the Commission adopted Resolution No. PC 20-10 to conditionally approve an 81,775 square-foot, four-story, 162 room hotel and a 16,348 square-foot two-story retail and office building, with additional conditions addressing architectural screening and landscaping along Chabela Drive. In addition, the Planning Commission determined that the Project qualified for a Class 32, in-fill development categorical exemption in accordance with the California Environmental Quality Act (CEQA).

SECTION 5. MB Poets ("Appellant #1") and UNITE HERE Local 11 ("Appellant #2") appealed the Planning Commission's decision. In addition, two Councilmembers requested that the City Council review the Planning Commission's decision.

SECTION 6. On January 19, 2021, the City Council conducted a duly noticed public hearing *de novo* to consider the Project in accordance with MBMC Chapter 10.100. Evidence, both written and oral, was presented to the Council, including a staff report and staff presentation. All persons wishing to address the Council regarding the Project before

and during the hearing were provided an opportunity to do so in full compliance with the Brown Act, as modified by Governor Gavin Newsom's Executive Order N-29-20 for public hearings occurring during the COVID-19 emergency. The City provided the Applicant and the Appellants with ample opportunity to submit material in advance of the meeting, and provided the Applicant and Appellants, and their respective officers and representatives, equal opportunities to speak during the public hearing. The Appellants provided written materials to the City Council on several occasions, including shortly before the public hearing. At the public hearing, the Applicant and Appellants presented testimony. In addition, numerous people provided comments prior to and during the public hearing. After several hours, the City Council continued the public hearing to the February 2, 2021 City Council meeting.

SECTION 7. On February 2, 2021, the City Council resumed the continued public hearing to consider the Project. Over 24 people spoke about the Project. Prior to the meeting, the Applicant requested a continuance in order to study a redesign of certain elements of its proposed plan, specifically as it relates to shifting the portion of the hotel building along the Chabela Drive frontage to the west, in response to comments received by residents who live east of Chabela Drive. The City Council granted the Applicant's request and continued the public hearing to April 6, 2021.

SECTION 8. The April 6, 2021 City Council agenda notified the public that the public hearing would be rescheduled to May 4, 2021 to provide the staff, the public, and the Appellants ample time to review revised plans submitted by the Applicant. The City provided additional notice of the May 4, 2021 public hearing to the public and Appellants. On April 16, 2021, Staff provided revised plans to Appellant MB Poets pursuant to a Public Records Act request, and posted the revised plans on the City's website.

SECTION 9. On May 4, 2021, the City Council resumed the continued duly noticed public hearing *de novo* to consider the Project. Additional evidence, both written and oral, was presented to the Council, including a staff report and staff presentation. The Council provided another opportunity to any person wishing to address the Council regarding the Project. The City provided the Applicant and Appellants with additional opportunities to submit material in advance of the May 4 meeting, and provided the Applicant and Appellants, and their respective officers and representatives, additional opportunities to speak during the public hearing. Appellants provided written materials to the City Council on several occasions, including shortly before the May 4 continued public hearing. At the hearing, the Applicant, Appellants, and members of the public spoke in favor of or against the Project.

SECTION 10. The record of the continued public hearing conducted by the City Council shows:

- A. The Project, as revised, consists of (1) a 161-room, 81,771 square-foot hotel with full alcohol service; (2) a 14,500 square-foot retail and office building; and (3) reduced parking. After considering comments from the Appellants and the

public before and during the public hearing held on January 19, the Applicant revised the proposed plans to: (1) decrease the number of rooms to 161; (2) reduce the size of the hotel to 81,771 square feet; and (3) reduce the size of the retail and office building to 14,500 square feet. The revised plans indicate that the proposed hotel footprint has been shifted westward, away from the residential neighborhood on the eastern side of Chabela, with increased screening and architectural features on the eastern side of the hotel.

- B. The Site is the former home of an El Torito Restaurant, which operated with a full alcohol license, on the Sepulveda Boulevard Commercial Corridor. The Sepulveda Boulevard Commercial Corridor is developed with commercial uses buffered from residential uses to the east and west by physical distance, streets, commercial structures, walls, and landscaping. The Site specifically is buffered from residential uses by Chabela Drive to the east, commercial buildings to the north and south, and Sepulveda Boulevard and commercial buildings to the west.
- C. The Site is located in Area District I and is zoned CG-D8, General Commercial, Sepulveda Boulevard Corridor Overlay. The surrounding properties are zoned CG-D8 to the North, CG General Commercial to the South (across Tennyson Street), RS Single-Family Residential to the East (across Chabela Drive), and commercial to the West (across Sepulveda Boulevard in the City of Hermosa Beach).
- D. The Land Use Element in the City's General Plan designates the General Commercial land use category as an area for the provision of a broad range of retail, service commercial and professional office uses intended to meet the needs of local residents and businesses and to provide goods and services for the regional market, including hotel, office, and retail uses. Hotels with full alcohol service are permitted in the CG General Commercial district subject to a Use Permit, as are projects with multiple uses with over 5,000 square feet of buildable floor area or 10,000 square feet of land area.
- E. The site is located within the Sepulveda Boulevard Corridor Overlay District, established by the City Council in 2019 to promote desirable development, uses and economic vitality within the General Commercial (CG) zone.
- F. Pursuant to MBMC Section 10.84.060, the City Council shall approve an application for a Master Use Permit if it finds:
 - 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;
 - 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;

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; and
4. The proposed use will not adversely impact nor be adversely impacted by nearby properties.

G. MBMC Section 10.64.050 recognizes that reduced parking is appropriate for certain districts and uses under certain circumstances, and authorizes the decision-making body to approve reduced parking provided it can make the following findings:

1. The parking demand for the proposed use will be less than the MBMC's standard requirements;
2. The probable long-term occupancy of the buildings, based on their designs, will not generate additional parking demand.

H. The Police Department has reviewed the Project and has no concerns about or objections to the request for full alcohol service. The Police Department has not requested any additional conditions of approval.

SECTION 11. Based upon substantial evidence in the record, including the application, the plans as revised, all materials and testimony submitted by the Applicant, Appellants, staff, and the public prior to the close of the continued public hearing, and pursuant to MBMC Sections 10.84.060 and 10.64.050(B) and applicable State law, the City Council hereby finds:

- 1. In the exercise of its legislative discretion, the City Council previously has determined that a 40-foot hotel is an appropriate land use for the Site.**

The establishment of the Sepulveda Boulevard Corridor Overlay District in 2019, and designation of the Site as among the locations that can, with appropriate conditions, accommodate a 40-foot hotel without creating negative impacts on the surrounding neighborhood, constitute legislative determinations that a hotel is an appropriate land use for the Site. This legislative determination is now final and beyond challenge.

2. 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.

The Project is proposed to be located in the “CG-D8” (General Commercial, Sepulveda Boulevard Corridor Overlay) design overlay district in Area District I. Pursuant to the MBMC, an objective and purpose of the CG General Commercial district is to provide opportunities for a full range of retail and service businesses deemed suitable for location in Manhattan Beach. As noted in the studies associated with the Sepulveda Boulevard Corridor Overlay, the City lacks the type of hotel proposed by the Applicant. Consistent with the general objectives and purposes of the CG-D8 District, an objective and purpose of the Sepulveda Boulevard Corridor Overlay is to provide more flexible development standards in order to promote desirable development, uses and economic vitality within the General Commercial (CG) zone. In connection with establishing the Sepulveda Boulevard Corridor Overlay, the City Council specifically determined that a hotel is a desirable development and use that will contribute to the economic vitality within the General Commercial (CG) zone. To encourage the development of hotels, the Council amended its Zoning Code to provide flexible development standards.

In sum, the proposed location of the Project is in accord with the objectives of the Zoning Code and the purposes of the district in which the site is located because Sepulveda Boulevard is the City’s primary north-south commercial thoroughfare and is the backbone of the City’s commercial district, where the uses will complement a full range of retail and service businesses suitable for Manhattan Beach.

3. 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; will not be detrimental to properties or improvements in the vicinity or to the general welfare of the city; and will be compatible with surrounding uses.

The proposed uses are commercial uses consistent with the General Plan’s ‘General Commercial’ land use designation assigned to the Site, as well as neighboring properties. The Project is consistent with the following General Plan Policies that are specifically relevant here: LU-6: Maintain the viability of the commercial areas of Manhattan Beach and LU-8: Maintain Sepulveda Boulevard as a regional-serving commercial district. The proposed uses are consistent with neighboring uses within the General Commercial land use designation, as the neighboring lots have also been developed with commercial uses. The proposed location of the uses and the proposed conditions under

which they would be operated and maintained will not be detrimental to the public health, safety or welfare of persons residing or working on the Project site or in the surrounding area because MBMC requirements and conditions of approval address security, safety, aesthetics, hours of operation, and parking. The Project will not be detrimental to properties or improvements in the vicinity or to the general welfare of the City, in that the area already supports commercial uses, and parking supplies are adequate. Specific conditions are designed to address concerns expressed during the public hearings, including conditions requiring architectural screening on the third and fourth floor of the hotel building's eastern façade. The General Plan recognizes that Sepulveda Boulevard corridor is a "regional-serving commercial district", and the proposed uses will contribute to the commercial mix of businesses that help create a dynamic commercial corridor along Sepulveda Boulevard. As conditioned, the Project is likewise compatible with the residential neighborhood across Chabela Street. To address comments made by residents in that neighborhood, the Applicant voluntarily has made a number of design revisions to the Project, such as: (a) decreasing the number of rooms to 161; (b) reducing the size of the hotel to 81,771 square feet; and (c) reducing the size of the retail and office building to 14,500 square feet. The Applicant also revised its plans to shift the proposed hotel footprint westward, away from the residential neighborhood on the eastern side of Chabela, and add increased screening and architectural features on the eastern side of the hotel, further ensuring that there is a sufficient buffer between the Project and nearby residential uses, as contemplated by the Sepulveda Boulevard Corridor Overlay.

4. The proposed use will comply with the provisions of the City's Planning and Zoning Title, including any specific condition required for the proposed use in the district in which it would be located.

The proposed hotel and retail/office building fully comply with all provisions of the City's Planning and Zoning Title and any specific conditions imposed. The Applicant is not seeking any variance from MBMC requirements.

5. The proposed use will not adversely impact or be adversely impacted by nearby properties.

The proposed uses are proposed to be located at a site on the Sepulveda Boulevard Commercial Corridor. The adjacent properties to the north and south are also zoned General Commercial and have commercial uses that will not be adversely impacted by a hotel/retail office building. Across Sepulveda Boulevard are properties likewise zoned commercial, and they will not be impacted by the Project.

Some residents who live in the neighborhood east of Chabela Drive, the road separating the Site from the closest houses, expressed concerns that the

Project could adversely impact their neighborhood. These concerns included the potential for cut-through traffic, hotel patrons parking vehicles on neighborhood streets, noise from the outdoor deck facing Sepulveda Boulevard, lack of privacy, and the potential for accidents on Sepulveda Boulevard.

In connection with the establishment of the Sepulveda Boulevard Commercial Corridor, the City already studied the commercial corridor, and determined that a number of factors minimize any impacts that, at other locations, might arise in areas where commercial uses transition to residential uses. Historically, California State Highway 1 was the principal commercial strip along the California coast, and was populated with numerous motels and hotels. At the present time, Sepulveda Boulevard remains a state highway, and is Manhattan Beach's principal north-south commercial thoroughfare. Commercial uses in this area are therefore expected and anticipated by the Site's zoning. Nevertheless, physical features provide buffers that minimize impacts on residential neighborhoods. Specifically, there is a buffer of 66 feet between the eastern edge of the hotel and the western edge of the closest residence, and there are only two residential units across the street from the Project. Large commercial structures, fences, and landscaping provide additional buffers between the Site and other uses. Further, the Applicant revised its plans to address the comments made by residents and addressed placement of the hotel and architectural concerns. Finally, the use entitlement for the Project is subject to conditions related to traffic generation, parking demand, noise, vibration, odors, resident security and personal safety, and aesthetics, all of which further support the conclusion that the Project will not result in any significant potential impacts. For examples, the standard conditions of approval require hotel and security operation procedures, and the Project has "will serve" letters demonstrating that utilities and other service providers will be able to meet the needs of the Project and the uses on the Site will not create demands exceeding the capacity of public services and facilities. The traffic analysis for the Project also shows that the roadway capacity, including the capacity of Highway 1 and other nearby streets, will be sufficient to meet the needs of the Project.

6. The Project's proposed parking fully complies with MBMC Section 10.64.050

MBMC Section 10.64.050 expressly provides that reduced parking is allowed in certain situations, including for nonresidential uses. Absent the MBMC provision contemplating and permitting reduced parking where certain findings are made, the Project would be required to provide 236 parking spaces. However, pursuant to MBMC 10.64.050, and based upon the parking demand study prepared by engineering consulting firm Kimley-Horn and reviewed by the City's Traffic Engineer, the City Council hereby finds: (a) The parking

demand for the proposed use will be less than the Code's standard requirements set forth in Municipal Code Section 10.64.030; and (b) The probable long-term occupancy of the buildings, based on their designs, will not generate additional parking demand. The plans, as revised, indicate that 152 parking spaces will be maintained for the Project, a number more than adequate to satisfy parking demand for the proposed uses. This conclusion is supported by the fact that the hotel is not a resort-style hotel that would generate the number of vehicles coming to and from the Site as a larger hotel with ancillary amenities (spa, on-site restaurant or bar open to the public, etc.) would be expected to generate. In addition, the Site's proximity to LAX Airport and the availability of ride-share services (e.g., Uber or Lyft) would allow guests to travel to and from the Site without the need to park there. The conditions of approval also require that a new parking demand study be conducted if new uses proposed at the site differ from the uses approved by the Master Use Permit in order to ensure the new uses will not generate additional parking demand and overwhelm the site's parking supply. Accordingly, the City Council determines that reduced parking is appropriate for the Project.

SECTION 12. Staff has determined, and the City Council in its independent judgment finds, in light of the whole record and substantial evidence before it, that the Project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines (14 Cal. Code Regs.) Section 15332 (Infill Development Projects), for the following reasons, *inter alia*:

1. The Project meets the definition of infill development under CEQA.

a. The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

The proposed uses are commercial uses consistent with the General Plan's 'General Commercial' land use designation assigned to the Site, as well as neighboring properties. The Project is consistent with the following General Plan Policies that are specifically relevant here: LU-6: Maintain the viability of the commercial areas of Manhattan Beach and LU-8: Maintain Sepulveda Boulevard as a regional-serving commercial district. The proposed uses are consistent with neighboring uses within the General Commercial land use designation, as the neighboring lots have also been developed with commercial uses. The proposed location of the uses and the proposed conditions under which they would be operated and maintained will not be detrimental to the public health, safety or welfare of persons residing or working on the Project site or in the surrounding area because MBMC requirements and conditions of approval address security, safety, aesthetics, hours of operation and parking. The Project will not be detrimental to properties or improvements in the vicinity

or to the general welfare of the City, in that the area already supports commercial uses, and parking supplies are adequate. Specific conditions are designed to address concerns expressed during the public hearings, including conditions requiring architectural screening on the third and fourth floor of the hotel building's eastern façade. The General Plan recognizes that Sepulveda Boulevard corridor is a "regional-serving commercial district", and the proposed uses will contribute to the commercial mix of businesses that help create a dynamic commercial corridor along Sepulveda Boulevard. As conditioned, the Project is likewise compatible with the residential neighborhood across Chabela Street. To address comments made by residents in that neighborhood, the Applicant voluntarily has made a number of design revisions to the Project, such as: (a) decreasing the number of rooms to 161; (b) reducing the size of the hotel to 81,771 square feet; and (c) reducing the size of the retail and office building to 14,500 square feet. The Applicant also revised its plans to shift the proposed hotel footprint westward, away from the residential neighborhood on the eastern side of Chabela, and add increased screening and architectural features on the eastern side of the hotel, further ensuring that there is a sufficient buffer between the Project and nearby residential uses, as contemplated by the Sepulveda Boulevard Corridor Overlay.

The Project is also consistent with the Site's zoning designation. The Project is proposed to be located in the "CG-D8" (General Commercial, Sepulveda Boulevard Corridor Overlay) design overlay district in Area District I. Pursuant to the MBMC, an objective and purpose of the CG General Commercial district is to provide opportunities for a full range of retail and service businesses deemed suitable for location in Manhattan Beach. As noted in the studies associated with the Sepulveda Boulevard Corridor Overlay, the City lacks the type of hotel proposed by the Applicant. Consistent with the general objectives and purposes of the CG-D8 District, an objective and purpose of the Sepulveda Boulevard Corridor Overlay is to provide more flexible development standards in order to promote desirable development, uses and economic vitality within the General Commercial (CG) zone. In connection with establishing the Sepulveda Boulevard Corridor Overlay, the City Council specifically determined that a hotel is a desirable development and use that will contribute to the economic vitality within the General Commercial (CG) zone. To encourage the development of hotels, the Council amended its Zoning Code to provide flexible development standards.

No General Plan Amendment or Zoning Code amendment is sought by the Applicant or required for the Project.

b. The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The Project site is within City limits. The Site is 1.52 acres. The Site is

surrounded by urban uses; specifically, the surrounding properties are zoned CG-D8 to the North, CG General Commercial to the South (across Tennyson Street), RS Single-Family Residential to the East (across Chabela Drive), and commercial to the West (across Sepulveda Boulevard in the City of Hermosa Beach), and are developed with those uses.

c. The project site has no value, as habitat for endangered, rare or threatened species.

The Project Site was previously developed with an El Torito restaurant. The Site has been graded and used for commercial uses for over 30 years and is surrounded by urban development.

d. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

- Traffic

The Applicant engaged the services of engineering firm Kimley-Horn to conduct a “Traffic Impact Analysis” that shows that the Project will have a less-than-significant impact on traffic. The City’s Traffic Engineer has reviewed the Traffic Impact Analysis and concurs in the findings in the Traffic Impact Analysis that no significant traffic impacts are anticipated on the roadway network as the result of the Project. Although not required because the Project application was filed and deemed complete prior to July 1, 2020 and the City’s adoption of its vehicle miles traveled (VMT) guidelines, a qualitative VMT analysis was conducted which concluded that development of the Site with hotel, retail, and office uses would not result in a significant increase in VMT. In addition, Kimley-Horn specifically responded to and rebutted issues raised by the Appellants, including MB Poets, regarding traffic generation rates and parking generation rates (see Kimley-Horn technical memorandum dated April 22, 2021). The City Council finds that all of this information, as well as other evidence in the record, constitutes substantial evidence supporting the conclusion that the Project will not result in traffic impacts.

- Noise

The City engaged the services of independent environmental services consultant Michael Baker International (MBI). MBI prepared technical studies to evaluate the project’s noise and air quality impacts. The noise and air quality technical studies concluded that the Project will have less than significant noise and air quality impacts. MBI thoroughly reviewed the initial plans, the revised plans, and all of the material submitted by the Appellants and their consultants. After the Applicant revised the plans, MBI issued a revised statement concluding that the Project is categorically exempt from CEQA pursuant to State CEQA Guidelines

Section 15332 (Infill Development Projects). City staff independently reviewed the Project, as revised, and concurred in this conclusion. The determination of exemption was supported by a series of technical studies, in addition to MBI's studies. MBI also provided several addenda and comments that address the arguments made by the Appellants, including potential crowd noise and the effect of crowd noise on residences to the east of the Project, as well as potential noise generated by amplified speakers proposed for the Project. Furthermore, in an April 23, 2021 technical memorandum, MBI specifically considered the revisions in the Project plans regarding a reduction in rooms and square footage, and placement of the hotel. MBI concluded that the analysis of construction noise contained in its original report and subsequent memoranda remained valid and construction noise impacts would remain less than significant. MBI also concluded that the Project's operational impacts would be less than significant with respect to noise. The Project's HVAC units would not exceed the noise thresholds of 55 dBA during the daytime and 50 dBA during nighttime as established in MBMC Section 5.48.160 (See MBI Memorandum dated January 19, 2021). Noise generated by parking activities or hotel operations, including the outdoor deck, also would not exceed the City's daytime or nighttime noise thresholds and impacts would be less than significant.

The City Council finds that all of this information, as well as other evidence in the record, constitutes substantial evidence supporting the conclusion that the Project will not result in noise impacts.

- Air Quality

With regards to air quality, as detailed in the supporting technical memoranda, the criteria pollutant emissions generated by the Project during construction and operation would not exceed the South Coast Air Quality Management District's regional or localized thresholds and air quality impacts would remain less than significant. Similarly, greenhouse gas emissions would be less than significant.

The City Council finds that all of this information, as well as other evidence in the record, constitutes substantial evidence supporting the conclusion that the Project will not result in air quality impacts.

- Water Quality

The Applicant also hired engineer Barbara L. Hall, P.E., Inc. to conduct a "Drainage Technical Report" that concludes that the Project would produce less than significant impacts related to water quality with implementation of the required Stormwater Pollution Prevention Plan and Low Impact Development best management practices.

The City Council finds that all of this information, as well as other evidence in the record, constitutes substantial evidence supporting the conclusion that the Project will not result in water quality impacts.

e. The site can be adequately served by all required utilities and public services.

The Applicant has obtained “will serve” letters from Southern California Edison, Southern California Gas Company, and the City’s Public Works Division stating that the Project could be adequately served by all required utilities and public services.

Based upon all of the foregoing, as well as the substantial evidence contained in the record as whole, the City Council in its independent judgment hereby finds that the Project is categorically exempt from the requirements of CEQA, pursuant to State CEQA Guidelines (14 Cal. Code Regs.) Section 15332 (Infill Development Projects).

2. None of the exceptions to the use of a categorical exemption apply.

There are no features that distinguish this project from others in the exempt class. The Project is located in an area that is typical of urban development and surrounded by uses that are common to urban development, including commercial uses and residential uses. Many commercial uses are located in proximity to residential uses. The location of the Project site does not create an exception to the exemption.

Similarly, there are no projects of the same type in the same place, over time, that could give rise to cumulative impacts that are significant. The Project’s own impacts are all less than significant and there are no nearby projects that could combine with the Project to create cumulative impacts. The City Council hereby rejects as speculation and innuendo all claims of unspecified potential future impacts which the Council finds are not supported by substantial evidence, and in many cases relate to existing uses (such as nearby commercial uses) or conditions (such as roadway design) already considered in the baseline environmental conditions for the Project. which resulted in a conclusion of less than significant impacts.

There is also no reasonable possibility that the Project will have a significant effect on the environment due to unusual circumstances. As discussed in all of the supporting technical memoranda, staff reports, and testimony, the Project will not create any significant impacts. There are no unusual circumstances relative to the Project that would alter this conclusion.

The Project is will not result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within

a highway officially designated as a state scenic highway.

The Site is not included on any list compiled pursuant to Section 65962.5 of the Government Code.

Finally, the Project Site does not contain any historical resource and the Project therefore will not cause a substantial adverse change in the significance of a historical resource.

Based upon all of the foregoing, as well as the substantial evidence contained in the record as whole, the City Council in its independent judgment hereby finds that there are no exceptions, including any exceptions located in CEQA Guidelines Section 15300.2, that would render inapplicable the CEQA exemption (CEQA Guidelines Section 15332 [Infill Development Projects]) for the Project inapplicable.

- 3. None of the information presented by the Appellants or anyone else demonstrates that the Project does not qualify for a categorical exemption from CEQA or that any exception to the categorical exemption applies.**

The City Council has considered the public comments and documents submitted by the public, including Appellants, including those materials submitted subsequent to the publication of the previous staff reports on January 13, 2021 and January 27, 2021, and prior to the conclusion of the continued public hearing on May 4, 2021. The City Council also has independently reviewed the responses and technical reports from experts and consultants. The City Council hereby finds that none of the material submitted alters the Council's conclusion that the infill exemption from CEQA is appropriate, that no exception to the exemption is present, and that the required findings for the Project, including with the revised plans, still can be made.

SECTION 13. At the conclusion of the public hearing, and following ample deliberation by the City Council, the Council directed staff to draft a resolution determining that the Project qualifies for a Class 32 Categorical Exemption in accordance with Section 15332 of the CEQA Guidelines and conditionally approving the Master Use Permit, for Council consideration.

SECTION 14. Based upon the foregoing, and after considering all of the evidence in the record, the City Council hereby approves the Master Use Permit for a hotel and retail and office building, alcohol service for hotel patrons, and a reduction in parking as allowed by the MBMC, subject to the following conditions:

1. The Project shall be in substantial conformance with the approved revised plans, subject to the conditions contained herein. Any substantial deviation from the approved plans, as conditioned, shall require review by the Community Development Director to determine if approval from the Planning

Commission is required. The Community Development Director may approve minor and de minimis changes not affecting the use or substantial features of the Project.

2. Owner shall apply to the City for review of this Master Use Permit no later than six months after the date hotel operations commence, and then again no later than twelve months from the date hotel operations commence, to provide the City Council an opportunity to review operations and determine compliance with all conditions set forth in this Resolution and the requirements of the Municipal Code. For purposes of this review, the City Council shall retain jurisdiction of the Project, notwithstanding any provision of the Municipal Code.
3. At any time in the future, the Planning Commission or City Council may review the Master Use Permit for the purpose of revocation or modification in accordance with the requirements of MBMC Chapter 10.104. Modification may consist of conditions deemed reasonable to mitigate or alleviate impacts to adjacent land uses.
4. The Community Development Department staff shall be allowed to inspect the site at any time.

Operation

5. Hotel guests will be limited to a maximum stay of 30 consecutive days.
6. In full compliance with MBMC Chapter 8.20, hotel management shall collect and remit to the City all required Transient Occupancy Taxes.
7. If the Police Department receives a significant number of dispatch calls arising from the Site, the City reserves the right to require property management to employ a private security firm to patrol the site.
8. Security cameras shall be installed throughout the site.
9. The Site's light fixtures shall possess sharp cut-off qualities at all property lines and shielding shall be provided as necessary so that lighting does not shine on adjacent properties.
10. The management of the property shall police the property and all areas adjacent to the business during the hours of operation to keep it free of litter and food debris.

11. The operators of the businesses shall provide adequate management and supervisory techniques to prevent loitering and other security concerns outside the subject businesses.
12. All rooftop mechanical equipment shall be screened from the public right-of-way.
13. Hours of operation for the hotel's limited dining options, including full alcohol service, shall be permitted as follows:

Sunday – Thursday:	7:00 a.m. – 11:00 p.m.
Friday – Saturday:	7:00 a.m. – 1:00 a.m.
14. No service or sale of alcoholic beverages shall be conducted unless the Applicant first receives a license from the California Department of Alcohol Beverage Control (ABC). Operation of the hotel's eating and drinking areas shall be in substantial compliance with all restrictions imposed by ABC prior to service of beer, wine, and distilled spirits.
15. Alcohol service shall be conducted only in conjunction with food service during all hours of operation. The hotel's eating and drinking options are for the use of hotel patrons and their guests only.
16. Live entertainment is prohibited on the fourth-floor outdoor terrace unless all of the following criteria are met:
 - A. Hotel management applies for and receives a Group Entertainment Permit pursuant to MBMC Section 4.20.050;
 - B. As a condition of the Group Entertainment Permit, live entertainment is limited to the enjoyment of hotel patrons and their guests only; and
 - C. As a condition of the Group Entertainment Permit, live entertainment is prohibited after 9:00 p.m.
17. The third-floor meeting rooms/business center and the fourth-floor lounge and outdoor terrace shall not be independently rented for any events, small or large.
18. The hotel's third-floor amenities (fitness center, meeting rooms, business center, etc.) and fourth-floor lounge and outdoor terrace shall be physically accessible only with a room key, so that only hotel patrons and their guests will be able to access these amenities.

19. After its daily closing time, the outdoor terrace shall be closed to all users, with the exception of hotel staff who are actively working.
20. Sound emanating from the property shall not exceed the limitations prescribed by the City's Noise Ordinance.
21. Control of the volume for any background music in the lobby and on the fourth-floor terrace shall be limited to the hotel management or staff.
22. Architectural screening shall be installed and maintained along the third and fourth floors of the hotel's eastern façade along Chabela Drive in order to limit the line-of-sight of hotel patrons into neighboring residential properties to the east. The architectural screening's louvers shall be "fixed" to prevent any adjustments to the angle of the louvers.
23. In addition to meeting the Code's minimum landscaping requirements, Applicant shall submit a landscape plan, subject to the approval of the Director or her designee, that includes hardwood trees to be installed and maintained along the raised five-foot wide planter parallel to Chabela Drive. When mature, the hardwood trees in the planter must provide a level of screening to significantly obscure the line-of-sight of hotel guests in the first and second floors with the goal of providing additional privacy for residents to the east of Chabela Drive.

Refuse

24. A covered enclosure(s) with adequate capacity for different types of trash for all tenants shall be constructed. This trash enclosure shall be constructed per the latest City standard including drainage to the sanitary sewer system. The enclosure shall be subject to specifications and approval of the Public Works Department, Community Development Department, and the City's waste contractor. A trash and recycling plan shall be required to be submitted to the Public Works Department.
25. The management shall arrange for special on-site pickup as often as necessary to ensure that the refuse area has adequate space to accommodate the needs of the subject business.
26. No refuse generated at the subject site shall be located in the Public Right-of-Way for storage or pickup, including the disposal of refuse in any refuse container established for public use.

Signage

27. The Applicant shall apply for Master Sign Program approval, and no signs may be installed unless permitted by the City and in compliance with the City's sign code.
28. Any signage above the first floor on the hotel structure's southern façade closest to Tennyson street shall remain unilluminated in order to decrease ambient light from the property.
29. A-frame or other sidewalk signs in the public right-of-way shall be prohibited.
30. No temporary banner or other signs shall be placed on the site without City permit and approval.

Parking

31. A Construction Management and Parking Plan (CMPP) shall be submitted by the applicant with the submittal of plans to the Building Division. The CMPP shall be reviewed and approved by the City, including but not limited to, the City Traffic Engineer, Planning Division, Fire Department, Police Department and Public Works Department, prior to permit issuance. The Plan shall include, but not be limited to, provisions for the management of all construction related traffic, parking, staging, materials delivery, materials storage, and buffering of noise and other disruptions. The Plan shall minimize construction-related impacts to the surrounding neighborhood, and shall be implemented in accordance with the requirements of the Plan.
32. All compact spaces, electric vehicle charging, and clean air vehicle spaces shall be posted with signs and labeled with stencil markings at the back of each space.
33. No fewer than 152 parking spaces shall be maintained on the site at all times.
34. Prior to any change in the uses permitted by the subject Master Use Permit, the Owner shall submit a new parking demand study, subject to the Director's approval, that demonstrates that the Site's existing parking supply is adequate to meet the parking demand of such new uses.
35. Minimum bicycle parking shall be maintained at a rate of five percent (5%) of all parking spaces (MBMC 10.64.80).
36. All surface parking spaces shall remain available for retail, office, and hotel guest check-in parking during retail and office business hours. All employees on the site shall be required to park in the parking structure. Neither the

property management nor the property owner shall charge a separate fee to park on site. No changes in parking restrictions or access shall be made without City approval.

37. Automobile storage is prohibited on site. No ancillary automobile rental business and/or storage use shall be allowed on site.
38. Hotel management shall discourage hotel patrons from parking in the residential area to the east of the site. A directional and parking sign program shall be implemented in the surrounding neighborhood discouraging hotel parking in the residential neighborhood to the satisfaction of the Community Development Department. The directional sign program shall be approved before the issuance of any building permits, and the directional sign program must be installed along Tennyson Street, Shelley Street, Keats Street, Chabela Drive, and Prospect Avenue before the hotel building receives a Certificate of Occupancy. The City reserves the right to require additional signage to discourage parking in that residential area.
39. The parking garage ramp shall be at least 26 feet wide to provide sufficient width inbound and outbound vehicles to pass without crossing vehicle paths on the ramp. Minimum outside turning radius of the vehicles shall be 24 feet (plus one foot when adjacent to a vertical obstruction).
40. A stop sign shall be installed and maintained at the top of the ramp's ascending lane in order to ensure the driver stops and looks for moving vehicles.
41. Height clearance signs and clearance warning bars shall be provided at the top of the parking ramp entrance. If a gate is installed in the subterranean parking area, the gate shall remain open during business hours and automatic gate operation using vehicle detection shall be provided.

Public Works

42. All street right-of-way dedications along Sepulveda Boulevard shall be separately processed for dedication to Caltrans or to the City as required by Caltrans encroachment/right-of-way permit.
43. The applicant shall be required to construct a minimum of six-foot clear sidewalk behind the curb (i.e. 6.5-foot clear from the face of the curb) per City Standard MBSI-112 and MBSI-115, driveway approach per City Standard MBSI-116, and replace any damaged curb and gutter per City Standard MBSI-120 along the property frontage of Tennyson Street and Chabela Drive. Eight-foot clear sidewalks are required along Sepulveda Boulevard. In order to comply with City sidewalk standards MBSI-112 and MBSI-115 additional

- street rights-of-way dedication may be required. MBSI-115 specifically addresses ADA clearances for sidewalk flaring next to street furniture such as fire hydrants, poles, etc. All sidewalk shall be constructed to comply with the latest ADA requirements including meeting the cross-slope grade of less than 2%.
44. All proposed pedestrian/ADA walkways and stairs/door landing shall conform to the grades proposed in the City's street improvement plans. All of the applicant's off-site street improvement plans, on-site grading plans, on-site drainage plans, landscaping plans and other plans described herein shall be prepared by a registered Civil Engineer in order to be reviewed and approved by the Public Works Department.
 45. The applicant shall be required to resurface the full width of Tennyson Street and Chabela Drive for the blocks surrounding the project site at the end of project construction.
 46. The curb lane along Sepulveda Boulevard between Tennyson Street and the proposed westerly driveway entrance into the development shall be widened to a minimum of 20 feet wide.
 47. All unused driveways shall be reconstructed with curb, gutter and sidewalk.
 48. The existing street barricade at the intersection of Chabela Drive and Tennyson Street, as well as the existing street barricade at the intersection of Chabela Drive and Shelley Street, shall be replaced with a new design to the satisfaction of the Public Works Director.
 49. Applicant shall pay for any required upsizing of affected water and sanitary sewer mains (including system impacts) and laterals based on projected demands and hydraulics analysis. Applicant shall be required to install a new fire hydrant at the intersection of Tennyson Street and Chabela Drive.
 50. All electrical, telephone, cable television system, and similar service wires and cables shall be installed underground to the appropriate utility connections in compliance with all applicable Building and Electrical Codes, safety regulations, and orders, rules of the Public Utilities Commission, the serving utility company, and specifications of the Public Works Department. The applicant shall install City and/or Southern California Edison concrete/marbelite street light poles with LED light fixtures and glare shields to the satisfaction of the Public Works Director.
 51. It shall be the responsibility of the applicant to protect all street signs, hydrants, and other street furniture around the property. If they are damaged, lost or removed, it shall be the responsibility of the applicant/contractor to

replace them at their expense.

52. The project shall comply with all provisions of the Municipal NPDES Permit as identified in the MBMC Chapter 5.84. Erosion and sediment control devices BMPs (Best Management Practices) shall be implemented around the construction site to prevent discharges to the street and adjacent properties. BMPs shall be identified and shown on the plans. Control measures shall also be taken to prevent street surface water entering the site.
53. No discharge of construction wastewater, building materials, debris, or sediment from the site shall be permitted. No refuse of any kind generated on a construction site shall be deposited in residential, commercial, or public refuse containers at any time. The utilization of weekly refuse collection service by the city's hauler for any refuse generated at the construction site shall be strictly prohibited. Full documentation of all materials/trash landfilled and recycled shall be submitted to the Permits Division in compliance of the city's Construction and Demolition Recycling Ordinance.

Procedural

54. The property owner shall be required to obtain a City of Manhattan Beach right-of-way encroachment permit for any projections into the public right-of-way.
55. *Terms and Conditions are Perpetual; Recordation of Covenant.* The provisions, terms and conditions set forth herein are perpetual, and are binding on the property owner, its successors-in-interest, and, where applicable, all tenants and lessees of the site. Further, the property owner shall submit the covenant, prepared and approved by the City, indicating its consent to the conditions of approval of this Resolution, and the City shall record the covenant with the Office of the County Clerk/Recorder of Los Angeles. Property owner shall deliver the executed covenant, and all required recording and related fees, to the Department of Community Development within 10 days of the adoption of this Resolution. Notwithstanding the foregoing, the Director may, upon a request by property owner, grant an extension to the time limit. The project approval shall not become effective until recordation of the covenant.
56. *Indemnity, Duty to Defend and Obligation to Pay Judgments and Defense Costs, Including Attorneys' Fees, Incurred by the City.* The Applicant shall defend, indemnify, and hold harmless the City, its elected officials, officers, employees, volunteers, agents, and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees") from and against any claims, damages, actions, causes of actions, lawsuits, suits, proceedings, losses, judgments, costs, and expenses (including, without limitation, attorneys' fees or court costs) in any manner arising out of or incident

to the Planning Commission's actions, this approval and the City Council's actions, related entitlements, or the City's environmental review thereof. The Applicant shall pay and satisfy any judgment, award or decree that may be rendered against City or the other Indemnitees in any such suit, action, or other legal proceeding. The City shall promptly notify the Applicant of any claim, action, or proceeding and the City shall reasonably cooperate in the defense. If the City fails to promptly notify the Applicant of any claim, action, or proceeding, or if the City fails to reasonably cooperate in the defense, the Applicant shall not thereafter be responsible to defend, indemnify, or hold harmless the City or the Indemnitees. The City shall have the right to select counsel of its choice. The Applicant shall reimburse the City, and the other Indemnitees, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Nothing in this condition shall be construed to require the Applicant to indemnify Indemnitees for any claim arising from the sole negligence or willful misconduct of the Indemnitees. In the event such a legal action is filed challenging the City's determinations herein or the issuance of the approval, the City shall estimate its expenses for the litigation. The Applicant shall deposit said amount with the City or, at the discretion of the City, enter into an agreement with the City to pay such expenses as they become due.

SECTION 15. The City Council's decision is based upon each of the totally independent and separate grounds stated herein, each of which stands alone as a sufficient basis for its decision.

SECTION 16. This Master Use Permit shall lapse two years after its date of approval, unless implemented or extended pursuant to 10.84.090 of the Municipal Code.

SECTION 17. The time within which judicial review, if available, of this decision must be sought is governed by California Code of Civil Procedure Section 1094.6, unless a shorter time is provided by other applicable law. The City Clerk shall mail by first class mail, postage prepaid, a certified copy of this Resolution and a copy of the affidavit or certificate of mailing to the Applicant, MB Hotel Partners, LLC, Appellant #1, MB Poets, and Appellant #2, UNITE HERE Local 11, and to any other persons or entities requesting notice of the decision.

SECTION 18. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED on June 15, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

SUZANNE HADLEY

Mayor

ATTEST:

LIZA TAMURA

City Clerk