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Title: Public Hearing De Novo to Consider a Master Use Permit for a New 162-Room, 81,775 Square-Foot Hotel with Full Alcohol Service for Hotel Patrons and A New 16,268 Square-Foot Retail and Office Building; and Reduced Parking with 152 Parking Spaces at 600 S. Sepulveda Boulevard; Waive Appeal Fee for Both Appellants; and Make an Environmental Determination in Accordance with the California Environmental Quality Act (MB Hotel Partners, LLC) (Community Development Director Tai).

a) CONDUCT PUBLIC HEARING DE NOVO

b) CONSIDER WAIVING APPEAL FEE FOR APPELLANTS

c) CONSIDER DIRECTING STAFF TO DRAFT A RESOLUTION MAKING AN ENVIRONMENTAL DETERMINATION IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND CONDITIONALLY APPROVING THE MASTER USE PERMIT FOR CITY COUNCIL CONSIDERATION AT A SUBSEQUENT COUNCIL MEETING

Sponsors:

Indexes:

Code sections:

Attachments: 1. Proposed Plans (Web-Link Provided), 2. Planning Commission Resolution No. PC 20-10, 3. Planning Commission Draft Minutes (November 18, 2020), 4. Planning Commission Report, Attachments, and Related Material (November 18, 2020) (Web-Link Provided), 5. Planning Commission Minutes (October 14, 2020), 6. Planning Commission Report, Attachments, and Related Material (October 14, 2020) (Web-Link Provided), 7. Appellant Materials- MB Poets, 8. Appellant Materials- UNITE HERE Local 11, 9. Public Comments (Received as of January 13, 2021), 10. Kimley-Horn Parking Evaluation- March 2020 (Revised January 2021), 11. Michael Baker International - Manhattan Beach Hotel Mixed-Use Project- Addendum to Noise Technical Memorandum (Dated January 12, 2021)

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------------|----------|--------|
| 1/19/2021 | 1 | City Council Regular Meeting | approved | Pass |

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Carrie Tai, AICP, Community Development Director
Talyn Mirzakhanian, Planning Manager
Ted Fatuross, Associate Planner

SUBJECT:

Public Hearing *De Novo* to Consider a Master Use Permit for a New 162-Room, 81,775 Square-Foot Hotel with Full Alcohol Service for Hotel Patrons and A New 16,268 Square-Foot Retail and Office

Building; and Reduced Parking with 152 Parking Spaces at 600 S. Sepulveda Boulevard; Waive Appeal Fee for Both Appellants; and Make an Environmental Determination in Accordance with the California Environmental Quality Act (MB Hotel Partners, LLC) (Community Development Director Tai).

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RECOMMENDATION:

Staff recommends that the City Council conduct a public hearing *de novo* and direct staff to prepare a resolution making an environmental determination under CEQA and approving the Master Use Permit subject to conditions.

EXECUTIVE SUMMARY:

Applicant MB Hotel Partners, LLC has submitted an application for a Master Use Permit for a new 81,775 square-foot four-story hotel and a separate new 16,268 square-foot two-story retail and office building on a 65,419 square-foot lot. A Use Permit is required for any site over 10,000 square feet in size and any building over 5,000 square feet in size in the CG General Commercial District. A Use Permit is also required for hotel uses, uses that have alcohol service, and requests for reduced parking. A Master Use Permit is required when a site has multiple uses per Manhattan Beach Municipal Code (MBMC) Section 10.84.105.

BACKGROUND:

On November 18, 2020, by a 2-1 vote, the Planning Commission approved a Master Use Permit for a new 162-room, 81,775 square-foot, four-story hotel and a separate new 16,268 square-foot two-story retail and office building at 600 S. Sepulveda Boulevard. The Master Use Permit request also includes a reduction in parking and the ability to serve alcohol to hotel guests until 1:00 a.m. seven days a week. The subject site is located in the “CG-D8” (General Commercial, Sepulveda Boulevard Corridor Overlay) design overlay district in Area District I. The Planning Commission added specific conditions to the resolution in an attempt to address the concerns of nearby residents.

The Planning Commission’s decision was appealed to the City Council by two separate appellants, MB Poets and UNITE HERE Local 11. At the December 1, 2020, City Council meeting, two members of the City Council requested a review of the Planning Commission’s decision. The Municipal Code provides that appeals and reviews of Planning Commission quasi-judicial hearings be conducted as a public hearing *de novo*. *De novo* means that the City 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 City Council hearing.

FISCAL IMPLICATIONS:

The fee for filing an appeal of the Planning Commission’s decision is \$500 per appeal. Should the City Council waive the appellants’ fees, the City would not recover \$1,000 worth of the cost associated with Staff’s time for preparing for the City Council hearing. The City adopted a Fee Study in February 2020, which indicates that the true cost of preparing this type of appeal is \$1,993; however, the City Council set a \$500 fee to alleviate cost to appellants.

DISCUSSION:

The applicant is requesting a Master Use Permit for a new 81,775 square-foot four-story hotel and a separate new 16,268 square-foot two-story retail and office building on a 65,419 square-foot lot. A Use Permit is required for any site over 10,000 square feet in size and any building over 5,000 square feet in size in the CG General Commercial District. A Use Permit is also required for hotel uses, uses that have alcohol service, and requests for reduced parking. A Master Use Permit is required when a site has multiple uses per Manhattan Beach Municipal Code (MBMC) Section 10.84.105.

The City's General Plan designates the site's land use as a General Commercial land use category. The General Plan describes the General Commercial land use category as follows:

The General Commercial category provides opportunities for a broad range of retail and 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. Limited industrial uses are also permitted consistent with zoning regulations. The General Commercial category accommodates uses that typically generate heavy traffic. Therefore, this designation applies primarily along Sepulveda Boulevard and targeted areas along Manhattan Beach Boulevard, Artesia Boulevard, and Aviation Boulevard. The maximum [Floor Area Factor] FAF is 1.5:1.

The site is located in the General Commercial, Sepulveda Boulevard Corridor Overlay District (CG-D8). MBMC Section 10.16.010 states that the CG General Commercial District's purpose is as follows:

CG General Commercial District. To provide opportunities for the full range of retail and service businesses deemed suitable for location in Manhattan Beach, including businesses not permitted in other commercial districts because they attract heavy vehicular traffic or have certain adverse impacts; and to provide opportunities for offices and certain limited industrial uses that have impacts comparable to those of permitted retail and service uses to occupy space not in demand for retailing or services.

Furthermore, MBMC Section 10.44.010 states that the D8 Sepulveda Boulevard Corridor Overlay District's (CG-D8) specific purpose is:

D8-Sepulveda Boulevard Corridor Overlay, where more flexible development standards are needed in order to continue to promote desirable development, uses and economic vitality within the General Commercial (CG) zone.

The site is a 65,419 square-foot lot with street frontage along Sepulveda Boulevard, Tennyson Street, and Chabela Drive. The site has commercial uses on three of its four sides: a large office building with medical/restaurant uses to the north, a bank and shopping plaza to the south across Tennyson Street, and a Skechers office building is under construction to the west across Sepulveda Boulevard in the City of Hermosa Beach. Single-family homes are located to the east of the site across Chabela Drive.

Vehicular access to the site is currently from Tennyson Street.

The site has an existing 8,500 square-foot restaurant building, which was occupied by an El Torito restaurant with full alcohol service for many years until vacating the space in late 2018. After El Torito closed, Skechers has used the site on a temporary, interim basis, using the restaurant building

as a corporate cafeteria and meeting space during the pendency of the construction of its nearby project. In addition, due, in part, to residents' concerns about Skechers' employees using on-street parking during construction of the Skechers' on-site parking garage, Skechers has temporarily used the El Torito parking lot as overflow parking for Skechers employees and construction workers. Skechers has been using the site's parking lot mainly for construction parking during the COVID-19 pandemic due to reduced demand for employee parking. The existing restaurant building would be demolished to accommodate the proposed project. Concurrently, Skechers' temporary use of the property will cease upon the completion of its project.

The project includes a surface parking lot with 29 parking spaces and a subterranean parking garage with 123 spaces, including all electric vehicle (EV) and accessible parking spaces required by the Building Code. The subterranean parking garage is ventilated with light and air along significant portions of the site's perimeter, and landscaping is provided in large raised planting areas along the garage's perimeter between the parking garage's subterranean level and the sidewalk and buildings above. A ramp near Sepulveda Boulevard leads from the surface level parking lot down into the subterranean garage. Vehicular and pedestrian access to the site is provided along Sepulveda Boulevard and Tennyson Street. The project will also carve out an eight-foot wide right-turn area extending 100 feet along Sepulveda Boulevard north of Tennyson Street, which will provide vehicles heading north-bound on Sepulveda Boulevard space to decelerate and enter the site. The project includes the construction of new sidewalks along Chabela Drive, Tennyson Street, and Sepulveda Boulevard, with property walls along Chabela Drive and part of Tennyson Street separating the sidewalk from the raised planting areas along the subterranean garage's perimeter. Sixteen (16) bicycle parking spaces are provided and are distributed evenly between the surface parking area and the subterranean garage.

The proposed hotel building is L-shaped and located along the northern and eastern portions of the project site. MBMC Section 10.44.040(s) allows hotel uses in the CG-D8 design overlay district to have a maximum building height of 40 feet. Roof-mounted mechanical equipment and elevator shafts are allowed to exceed the maximum allowed height limit by up to five feet, so long as they are properly screened and located in an area that would not be visible from or adversely impact the surrounding properties. The height limit for all other non-hotel uses in the CG-D8 design overlay district is 30 feet. The proposed hotel building is 40 feet high with screened roof mounted mechanical equipment exceeding the maximum 40 foot height limit by less than 5 feet. The hotel building complies with the maximum height limit for hotel uses in the CG-D8 design overlay district.

The hotel has 162 guest rooms, and guest stays will be limited to a maximum of 30 consecutive days. The applicant describes the hotel as a "select service hotel" with limited amenities for guests including a small fitness center, business center, and a meeting room. The applicant further described the "select service" hotel model as offering hotel patrons "limited menu options for breakfast to complement its buffet-style breakfast service which will be located on the ground floor lobby area. Limited menu options for appetizers, etc. will be available at other times of the day along with beverage service also to be provided on the ground floor. Room service is not provided. This limited level of service is considered an amenity provided to patrons of the hotel."

The hotel also incorporates an outdoor terrace on the fourth floor facing Sepulveda Boulevard, west of a portion of the proposed structure, where limited food service like appetizers and beverages (including alcohol) will be available to hotel guests. A portion of the fourth floor of the proposed structure is between the terrace and the street to the east. The applicant is requesting that the outdoor terrace be allowed to operate between 7:00 a.m. and 1:00 a.m. seven days a week. The

Draft Resolution requires that alcohol service be in conjunction with food service at all times. Limited live entertainment is permitted on the fourth floor outdoor terrace if the entertainment is provided for the enjoyment of the hotel patrons only, the hotel owner obtains an Entertainment Permit per MBMC Section 4.20.050, and the entertainment ends no later than 9:00 p.m.

While not part of this application, the applicant has indicated that they are contemplating seeking a Master Use Amendment at a later date to classify the downstairs dining and upstairs terrace as an eating and drinking establishment use. The reclassification of the downstairs dining and upstairs terrace as an eating and drinking establishment use would require an application for a Master Use Amendment and the submittal of a revised parking analysis to establish that the project's onsite parking could support the increase parking demand associated with a new eating and drinking establishment use on site.

The separate 16,268 square-foot two-story retail and office building is proposed in the southwest corner of the project site. The building would be 30 feet tall and complies with the maximum height limit for non-hotel uses in the CG-D8 design overlay district. The applicant proposes a retail use for the building's ground floor, with the top floor used as an office use. The applicant has not identified any prospective retail or office tenants for the building.

Both the hotel and office/retail building incorporate a contemporary architectural style, and use different materials to give texture and visual interest to the buildings. Both buildings incorporate exterior materials that include wood, metal, glass, stone, and brick. The applicant states "the project design and construction is proposed to meet the equivalent of a [US Green Building Council] LEED Silver level or higher for new construction", ensuring that the applicant has taken a sustainable approach to the design. All landscaping on site will have to meet the Municipal Code's landscaping requirements, which include the use of low and medium water use plants with drip or micro spray irrigation systems.

MBMC Section 10.64.030 requires that 243 parking spaces be provided on the site based on the proposed uses. However, MBMC Section 10.64.050(B) allows for a reduction of required parking via the Use Permit process if the applicant can demonstrate that the provided on-site parking satisfies the demand generated by the proposed uses. The applicant has provided a parking evaluation by the consulting firm Kimley-Horn that calculates the project's required parking, using parking rates based on the Institute of Transportation Engineers' (ITE) *Parking Manual Generation, Fifth Edition*. The project Parking Evaluation determined that the project must provide a minimum of 152 parking spaces to meet the site's peak parking demand, with each use's peak parking demand occurring at different times of the day. The project provides 152 parking spaces. The project Parking Evaluation also extensively explores how shared parking synergies occur when "uses with non-concurrent peak operating characteristics can share a portion of the same parking supply without detriment to the other, rather than each providing their own distinct and complete parking supply." Although the project Parking Evaluation concludes that the project only needs 117 parking spaces when these shared parking synergies are taken into account, MBMC Section 10.64.050(B) does not explicitly allow for shared parking synergies to be taken into account when reviewing a use permit request for a reduction in parking. Thus, the project provides the minimum 152 parking spaces on site in accordance with the requirements of MBMC Section 10.64.050(B). Kimley-Horn has revised the project Parking Evaluation (attached) to draw a sharper distinction between the project's maximum parking demand with and without consideration for shared parking synergies. The City's Traffic Engineer has reviewed the revised project Parking Evaluation and supports its conclusions.

The Planning Commission Resolution includes a condition that states “No fewer than 152 parking spaces shall be maintained on the site at all times.” If the City Council approves the request, staff recommends that the same condition be imposed in the City Council’s Resolution approving the project. Based on the project Parking Evaluation provided, staff finds that the requested parking reduction is justifiable.

The project Parking Evaluation also notes that “due to the project’s proximity to the Los Angeles Airport (LAX), hotel patrons who fly in and out of LAX may find it convenient to use shuttle, taxi, or ride-hailing services (Uber, Lyft, etc.) to get between the airport and the hotel, and to avoid the cost of renting a car and paying for hotel parking. This analysis does not take into account the potential for a further reduction in parking demand attributable to the use of these other modes of travel, making this a more conservative analysis.”

Planning Commission

At the October 14, 2020 Planning Commission meeting, staff presented the applicant’s Master Use Permit request and recommended approval. The applicant spoke in favor of the project. During the public comment period, 24 public speakers provided public comment. One speaker spoke in favor of the project, while the other 23 speakers spoke in opposition to the project. The Commissioners expressed conceptual general support for the project but directed the applicant to modify certain elements and provide more information to address some of the Commissioners’ and neighbors’ concerns. Specifically, the Planning Commission requested that the applicant modify compact parking spaces into standard-sized parking spaces to the extent possible (including reduction of the total number of parking spaces), provide revised plans showing the widened ramp to the subterranean garage along with improving visibility to the ramp, provide solutions for architectural screening on the hotel’s eastern façade, provide a line-of-sight illustration showing views east from the hotel’s eastern façade, provide an exhibit showing shadows from the proposed building(s) on the adjacent residences to the east, and provide more details on the project’s landscaping on the project’s northern perimeter. The Planning Commission continued the public hearing to the November 18, 2020 Planning Commission meeting.

On November 18, 2020, staff presented the applicant’s modified plan and provided requested information to the Planning Commission. The applicant spoke in favor of the project and addressed some of the public comment. During the public hearing, 28 public speakers provided public comment. Three speakers spoke in favor of the project, while the other 25 speakers spoke in opposition to the project. Staff also received 13 written public comments, with 10 emails in support of the project and three emails opposed to the project. Late public comment was received from 32 individuals, with six individuals expressing support for the project and 26 individuals expressing opposition to the project. Several individuals expressing opposition to the project made multiple late public comments. A petition with 118 signatures expressing opposition to the project was also received as a late public comment.

The Planning Commission discussed the proposed architectural screening on the building’s fourth floor eastern façade, the proposed plant material and planter size along the site’s eastern perimeter, and the massing along the eastern façade of the hotel building. Two of the three Commissioners expressed general support for the project but sought improvements to the screening on the hotel building’s fourth floor eastern façade and larger box sizes for plant materials along the eastern perimeter, in order to further obscure hotel patrons’ views to the east. Accordingly, the motion included the addition of the following conditions:

- Screening on the fourth floor of the hotel building's eastern façade shall be bolstered to ensure privacy for the first floor of the first row of homes along Chabela Drive to the satisfaction of the Community Development Director.
- Applicant shall revise landscaping plan to increase the size of the proposed plant material (upon installation) along the property's eastern perimeter such that the plant material achieves a height up to the third floor plate height upon issuance of Certificate of Occupancy.

The Commission voted 2-1 to adopt the resolution with the modifications listed above, approving the applicant's Master Use Permit request and adopting the associated environmental determination, with Commissioner Ungoco and Chair Morton voting in favor and Commissioner Thompson voting against the motion. See attached Planning Commission draft minutes for additional detail.

Appeal #1: MB Poets

An appeal was submitted by Darryl Franklin, Chairperson of a group known as MB Poets. In the attached letter and documents addressed to the City Council, the appellant states that "the project has three factors that mandate environmental review: parking, traffic, and noise."

Staff addresses specific arguments made by the appellant below, with the italicized text taken directly from the appellant's written materials submitted to the City Council.

"The shared-parking analysis violates the 15% maximum-reduction in spaces permitted by MBMC § 10.64.040..."

Although Kimley-Horn's Parking Evaluation thoroughly analyzes shared parking to calculate maximum parking demand, the approval of the project's reduced parking is not based on shared parking synergies identified in the Parking Evaluation and is thus not subject to MBMC Section 10.64.040.

Table 2 of Kimley-Horn's Parking Evaluation states that the "sum of individual parking requirements" of each use is 152 parking spaces, based on the latest parking generation rates found in ITE's *Parking Manual Generation, Fifth Edition*. The 152 parking spaces identified as the project's maximum parking demand does not take into account shared parking synergies. Specifically, Table 2 states that the "total projected shared parking demand" is 117 parking spaces. Kimley-Horn has revised the project Parking Evaluation to draw a sharper distinction between the project's maximum parking demand with and without consideration for shared parking synergies. The City's Traffic Engineer has reviewed the revised project Parking Evaluation and supports its conclusions.

The project provides 152 parking spaces and meets the anticipated parking demand identified in the project Parking Evaluation without taking into account any shared parking synergies, in conformance with the requirements in MBMC Section 10.64.050(B).

"There is no parking demand for the food service and bar, as they are currently restricted to hotel guests only.... Should these services be opened to the public at a later date, it would change the parking demand profile for the site."

The downstairs dining and upstairs terrace are restricted to hotel patrons only and are thus not classified as eating and drinking establishments since they are not open to the general public. As

the appellant's traffic consultant acknowledges, the downstairs dining and upstairs terrace are not part of the Kimley-Horn Parking Analysis because these areas "are restricted to hotel guests only and thus would not generate any additional traffic or parking demand."

Any future reclassification of the downstairs dining and upstairs terrace to an eating and drinking establishment use open to the general public would require the submittal of a revised parking analysis to prove that the project's onsite parking supply could support the increased parking demand associated with a new eating and drinking establishment use.

"The parking data utilized in the [Kimley-Horn] analysis do not reflect the 85th percentile data from the source document. Industry practice typically utilizes the 85th percentile peak parking rate to determine a site's minimum parking need."

While the use of 85th percentile data is an industry practice for trip generation, it is not industry practice for parking generation. Trip generation differs from parking generation in that the former is concerned with how many vehicle trips are generated by the use, and the latter is concerned with parking demand, duration, and turnover. ITE's *Parking Generation Manual, Fifth Edition* specifically states "This number is not intended to recommend a policy about the level of parking that should be supplied." The relatively small sample size for hotel parking generation makes it inappropriate to use the 85th percentile rates. It should be further noted that ITE's *Parking Generation Manual, Fifth Edition* uses the peak parking demand for each study site, not the average parking demand when calculating average parking rates. Kimley-Horn used this peak average rate found in ITE's *Parking Generation Manual, Fifth Edition* to determine each use's parking demand. The City Traffic Engineer has found that the Kimley-Horn Parking Evaluation is sound and reasonable, and is based on professionally accepted parking demand methodologies and guidelines.

"Our analysis indicates that on-site parking demand exceeds the current City zoning code requirements even without the conversion of the private dining and bar services to public use. As such, no parking reduction should be granted."

Besides relying on an inappropriate "85th percentile peak parking rate" approach discussed above, the appellant also bases their analysis on a category of hotel with a higher parking demand that does not reflect the operational characteristics of the hotel the applicant is proposing.

The appellant references a type of hotel from ITE *Parking Manual Generation, Fifth Edition* that does not reflect the project. The appellant uses "310 Hotel" from the ITE *Parking Manual Generation, Fifth Edition* which is described as "a place of lodging that provides sleeping accommodations and supporting facilities such as a full-service restaurant, cocktail lounge, meeting rooms, banquet room, and convention facilities. It typically provides a swimming pool or another recreational facility such as a fitness room." The project does not have a full-service restaurant, cocktail lounge, banquet room, convention facilities, or a swimming pool, and thus does not most closely match the "310 Hotel" description. Kimley-Horn correctly chose "312 Business Hotel" from the ITE *Parking Manual Generation, Fifth Edition* which is described as a "place of lodging aimed toward the business traveler but also accommodates a growing number of recreational travelers. These hotels provide sleeping accommodations and other limited facilities, such as a breakfast buffet bar and afternoon beverage bar. Some provide a full-service restaurant geared towards hotel guests. Some provide a swimming pool; most provide fitness

facilities. Limited space for meeting facilities may be provided. Each unit is a large single room.” The distinction between the “310 Hotel” the appellant references and the “312 Business Hotel” used in Kimley-Horn’s Parking Evaluation is important, as the “310 Hotel” has a significantly higher parking demand than the “312 Business Hotel”. Any parking demand analysis for the project using the “310 Hotel” instead of the “312 Business Hotel” is fundamentally flawed because the analysis would overestimate parking demand based on a type of hotel which does not accurately reflect the physical and operational characteristics of the project.

“The [Kimley-Horn] traffic study makes no attempt to address prospective additional impacts to the local residential streets due to the proposed project...the Skechers Design Center and Executive Offices which is located on Sepulveda Boulevard in very close proximity and includes a very comprehensive traffic analysis of this area includes a discussion of cumulative traffic impacts...”

The Kimley-Horn traffic study does, in fact, address potential cumulative impacts of surrounding developments such as the Skechers Design Center and Executive Offices. Cumulative traffic is included in the future baseline traffic volumes used for the Opening Year Plus Project Conditions analysis.

As Kimley-Horn notes in their public comment from the November 18, 2020 Planning Commission meeting, “the project proposes to remove one of the [two] existing driveways on Tennyson [Street] and provide a new driveway on Sepulveda Boulevard with direct access to the parking garage. This will encourage guests, employees, and tenants of the project to use the driveway on Sepulveda Boulevard...” The driveway on Sepulveda Boulevard is expected to result in less traffic diversion onto residential streets than the prior restaurant on the site.

The City’s Traffic Engineer has reviewed the respective traffic reports for Skechers project and the subject project, and notes that the Skechers Design Center and Executive Offices project the appellant refers to is a much larger project than the proposed project. The Skechers’ project will generate 279 AM peak hour trips and 254 PM peak hour trips. The applicant’s project, by contrast, is estimated by Kimley-Horn to generate 70 AM peak hour trips and 87 PM Peak hour trips. As such, any percentage of project trips assigned through the neighborhood would be impossible to cause a significant impact in the street level-of-service.

“MBI’s calculation do not take into account the cumulative effect of 25 pieces of [rooftop HVAC] equipment operating simultaneously... the combined effect of multiple fans and condenser units operating at the same time would cause the nighttime noise limit in the MBMC to be exceeded”.

The Noise Technical Memorandum prepared by Michael Baker International (MBI) is more conservative than the appellant’s noise report prepared by Steve Rogers Acoustics LLC (SRA), as MBI’s Noise Technical Memorandum noted that “HVAC units would be approximately 90 feet from the nearest sensitive receptor” while SRA’s Noise Report assumed a distance of 100 feet to the nearest sensitive receptor. In addition to being approximately 90 feet away from the nearest sensitive receptor, the hotel’s HVAC units would be suspended on the roof of the four-story hotel. Furthermore, the SRA Noise Report states that there would be 25 pieces of HVAC equipment operating on the roof simultaneously. The project proposes only 11 HVAC units spread out along the eastern roof line of the proposed hotel building, near the sensitive receptors. Each of these HVAC units would be surrounded by a parapet and mechanical screen, which would reduce potential HVAC noise. Additionally, these HVAC units would not all be located adjacent to each other near the sensitive receptors east of the hotel. Therefore, combining the HVAC noise levels

would inaccurately overestimate the noise impact. Thus, the operation of the HVAC units would not exceed the Municipal Code threshold and no changes to the analysis are warranted.

“Crowd noise from the outdoor gathering areas would be clearly audible at the homes on Chabela Drive and El Oeste Drive, because of the low ambient noise levels in each of these locations.”

The project incorporates an indoor lounge and outdoor terrace on the fourth floor facing Sepulveda Boulevard where limited food service like appetizers and beverages (including alcohol) will be available to hotel guests. These areas have the potential to be accessed intermittently by hotel guests for various occasions. Noise generated by groups of people (i.e., crowds) is dependent on several factors including vocal effort, impulsiveness, and the random orientation of the crowd members. Noise from a single speaker is estimated at 72 dBA at one meter (3.28 feet) away for loud speaking. When considering the group size, the sound power level could be estimated by the following equation:

$$LWA_{eq} = 15 * \log (\text{Number of People}) + 64 \text{ dBA}$$

The lounge would be partially enclosed and only open to the terrace, so noise generated by a group of people in the lounge would be significantly reduced. As a conservative analysis, assuming the outdoor terrace and patio would be occupied by 150 people at the same time, the sound power level would increase to 97 dBA, which is equivalent to sound pressure level of 86 dBA at 3.28 feet. In addition, the consumption of alcohol has the potential to increase the level of crowd noise by at most 6 dBA. As such, crowd noise would be 92 dBA at 3.28 feet.

The closest sensitive receptors to the lounge would be residences located approximately 300 feet to the east across Chabela Drive and approximately 300 feet to the west across Sepulveda Boulevard. At the distance of 300 feet, crowd noise would be reduced to approximately 53 dBA. In addition, residences to the east would be completely shielded by the hotel building (15 dBA reduction) and residences to the west would be partially shielded by commercial buildings along Sepulveda Boulevard (3 dBA reduction). Therefore, crowd noise would be reduced to 38 dBA at residences to the east and 50 dBA at residences to the west. As discussed in the Noise Technical Memorandum, ambient noise level at residences located to the east of the project site was 55.8 dBA Leq, and residences located to the west of the project site are located in the 70 dBA CNEL traffic noise contour zone according to the City’s General Plan Noise Element. Based on MBMC Section 5.48.160(B) Table 6 (Table 4 of the Noise Technical Memorandum), if the ambient noise level exceeds the City’s noise standard, then the ambient noise level becomes the exterior noise standard. Therefore, noise level generated by the crowd would not exceed the ambient noise levels (i.e. exterior noise standard) or the City’s nighttime exterior noise standard (50 dBA) and not audible at the nearest residences. The impact would be less than significant. This analysis was also provided from MBI in an addendum dated January 12, 2021 to the Noise Technical Memorandum from September 21, 2020.

“[MBI] not addressing the low ambient noise levels during the late evening or at night on the neighboring residential streets, nor the related issue of audibility of noise emanating from the hotel. Evaluation of audibility is necessary to demonstrate compliance with both the Municipal Code and the MBPC Conditions of Approval.”

The Noise Technical Memorandum analyzed all potential operational noise impacts against the City’s Municipal Code thresholds for the daytime (7:00 a.m. to 10:00 p.m.) and nighttime (10:00

p.m. to 7:00 a.m.). As such, no changes are warranted.

“The MBI noise impact analysis does not address amplified music or live performances ...”

Music from amplified speakers typically generate noise levels ranging from 75 dBA to 93 dBA at 1.2 meters (3.94 feet). As a conservative analysis, it is assumed that amplified speaker noise would be 93 dBA at 3.94 feet.

The closest sensitive receptors would be residences located approximately 300 feet to the east and approximately 300 feet to the west across Sepulveda Boulevard. At the distance of 300 feet, noise from amplified speakers would be reduced to approximately 55 dBA. As discussed in responses above, the ambient noise levels at the nearest residences are the exterior noise standards, and noise generated from amplified speakers would not exceed the ambient noise levels. Electronic speakers can be adjusted to lower noise levels if desired or needed. Noise levels on the sides and behind the disc jockey (DJ) stage drop due to the directional characteristics of the speakers. The Planning Commission Resolution also has a condition requiring all live entertainment to conclude no later than 9:00 p.m. Therefore, the impact would be less than significant. If the City Council approves the request, staff recommends that the same condition regulating live entertainment hours be imposed in the City Council’s Resolution approving the project. This analysis was also provided from MBI in an addendum dated January 12, 2021 to the Noise Technical Memorandum from September 21, 2020.

“The applicant proposes a Type 47 on-sale general license, which permits public access to all areas in the premises with alcohol service... per ABC regulations, the City in their resolution may not discriminate against public access to any alcohol service area in the hotel... staff has misrepresented material fact regarding alcohol service in the hotel... ABC regulations prohibit private use of Type 47 licensed areas.”

The Planning Commission Resolution has a condition that states “The owner shall be in substantial compliance with all restrictions imposed by the California Department of Alcohol Beverage Control (ABC) prior to service of liquor.” The Planning Commission Resolution also has a condition that states: “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 only.” The City utilizes the Use Permit process to place its own restrictions on a business serving alcohol, independent of those restrictions placed by the ABC. If the City Council approves the request, staff recommends that the same conditions be imposed in the City Council’s Resolution approving the project.

Appeal #2: UNITE HERE Local 11

An appeal was submitted by Danielle Wilson on behalf of UNITE HERE Local 11. In the attached letter and documents addressed to the City Council, the appellant’s attorney states that the project is inconsistent with code-required parking requirements, has “questionable FAR consistency,” VMT impacts, construction noise impacts, operational noise impacts, air quality impacts, and greenhouse gas (GHG) impacts. The appellant also claims that “code-required findings cannot be made” and that the filing of the Notice of Exemption was premature.

The appellant’s appeal documents include almost all of MB Poet’s appeal documents, thus, in essence, the appellant restates all of MB Poet’s arguments. Below, staff addresses specifically those arguments made by the appellant which have not already been addressed above in staff’s response

to the MB Poets appeal, with the italicized text taken directly from the appellant's written materials submitted to the City Council.

"At 98,123 square feet of total development, the Project is very close (or perhaps exceeds) the max 1:5:1 FAR depending on varying lot area sizes identified (Staff Report, PDF pp. 90, 125-126...)."

The Floor Area Factor, otherwise known as Floor Area Ratio (FAR), for the CG-D8 zone is 1.5:1. The allowable Buildable Floor Area (BFA) is determined by multiplying the lot size by a factor of 1.5. On page 90 of the November 18, 2020 Planning Commission Staff Report referenced by the appellant, staff identifies the site's lot size before the dedication of the eight-foot wide right-turn area extending 100 feet along Sepulveda Boulevard north of Tennyson Street (66,219 square feet), as well as the lot size after said dedication (65,419 square feet). Although the Municipal Code does not require that unexecuted dedications be subtracted from the lot area when determining FAR compliance, staff took a conservative approach and subtracted the Sepulveda Boulevard dedication from the lot size. The resulting lot size is 65,419 square feet, with a maximum BFA of 98,129 square feet. The project is 98,043 square feet and therefore is within the maximum BFA allowed by the Municipal Code.

"The CE [Categorical Exemption] claims the Project will have no Vehicle Miles Traveled ("VMT") impacts based on approximately 130 net average daily trips ("ADT(s)") generated by the Project after accounting for the Site's former use as a El Torito restaurant (generating 941 ATS) (Staff Report, PDF p. 131). However, that restaurant vacated in late-2018 (id., at PDF p. 90) and, thus, the VT baseline should be zero."

CEQA guidelines allow the use of a qualitative VMT analysis in the absence of a locally adopted VMT guideline. As this project was filed and deemed complete before July 1, 2020, the City of Manhattan Beach had not yet adopted a VMT guideline. The City Traffic Engineer has found the qualitative analysis in the Kimley-Horn Traffic Impact Study to be reasonable and complete. Finally, the latest SCAG Travel Demand Forecast Model uses travel data collected in 2016, which would have been used to determine any quantitative changes in VMT generated by this project. Therefore, the prior restaurant would have been included in the existing VMT baseline.

Regarding level-of-service analysis, it is common practice to use existing or new traffic data up to two years prior to the analysis of traffic impacts, notwithstanding any substantial changes to the roadway network. Kimley-Horn's Traffic Impact Analysis noted that "existing morning and evening peak hour turning movement counts for the study intersections were used from traffic studies for other projects. Existing counts were collected due to the sudden shutdown of school and businesses amid the COVID-19 pandemic. For counts that are more than a year old, an ambient growth rate of 1.0% was applied."

"This very loud construction noise is deemed not significant because the City Code limits only allowable hours of construction (id.). CEQA requires the use of an actual [noise] significance threshold supporting by substantial evidence..."

CEQA Guidelines Section 15064.7(a) states that a threshold of significance may be an identifiable quantitative, qualitative or performance level of a particular environmental effect. CEQA Guidelines Section 15064.7(b) further specifies that "thresholds of significance to be adopted for general use as part of the lead agency's environmental review process must be adopted by ordinance, resolution, rule, or regulation, and developed through a public review process and be

supported by substantial evidence.” The City of Manhattan Beach does not have thresholds of significance for noise that have been adopted for general use. Therefore, the MBI Noise Study utilized the threshold questions from Appendix G of the State CEQA Guidelines as thresholds of significance for project impacts. The relevant threshold question is, “Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?” The applicable standards are from the City’s General Plan Noise Element and the Municipal Code. Temporary construction noise is exempted by the Municipal Code from noise level maximums during the permitted construction hours outlined in MBMC 09.44.030. Therefore, the use of permitted construction hours as a qualitative measure to assess the project’s construction noise impacts against the Appendix G threshold of significance noted above complies with the requirements of CEQA.

“...It is clear numerous changes were made to the CalEEMod default values... These changes from default values must be supported with substantial evidence, otherwise, the CE may underestimate air pollutant emissions which infects the CE’s less than significant determination.”

CalEEMod default values were changed based on specific project characteristics provided by the Applicant. These characteristics include lot size, land use types, construction schedule, and construction equipment mix. Defaults are only used when such Project details are unknown. Therefore, the Project’s air emissions are accurate and not underestimated.

“The CE discloses annual greenhouse gas (“GHG”) emissions will be approximately 2,445 MTCO₂e/yr (Staff Report, PDF pp. 694-695)... and the 4.8 and 3.0 MTCO₂e/yr/sp threshold for target years 2020 and 2035 (respectively) recommended by South Coast Air Quality Management District (“SCAQMD”). Furthermore, due to the unexplained changes from CalEEMod default values (discussed above), the Project’s total GHG emissions may also be understated and may exceed the 3,000 MTCO₂e/yr threshold proposed by SCAQMD and used by the City in past projects.”

Per Section 15332 of the State CEQA Guidelines, the generation of greenhouse gas emissions is not a relevant criterion for a Class 32 categorical exemption. The relevant environmental criteria for a Class 32 categorical exemption identified in CEQA Guidelines Section 15332 are that the project site has no habitat for endangered, rare, or threatened species; and that approval of the project would not result in any significant effects related to traffic, noise, air quality, or water quality. Therefore, GHG emissions are not a relevant topic to a Class 32 exemption and no further analysis is required. Furthermore, as described in the Project’s Class 32 Categorical Exemption Evaluation Report, there are no unusual circumstances that would result in the potential for significant impacts on the environment.

“The City cannot make the Code-required land-use findings with substantial evidence (see MBMC 10.64.040, 10.84.060), particularly those findings concerning public safety and welfare (see MBMC 10.84.060.A., subs. 2 & 4).”

The Planning Commission made findings for MBMC Section 10.64.050(B), not for MBMC Section 10.64.040 as claimed by the appellant. MBMC Section 10.64.050(B) allows for a project to obtain a use permit for a reduction in required parking if specific findings can be made. MBMC Section 10.64.040 allows for a project to obtain a use permit for a reduction of parking based on shared parking synergies if specific findings can be made. As discussed above, the project is seeking a reduction in parking based on MBMC Section 10.64.050(B) without taking into account shared

parking synergies. The Planning Commission also made findings for MBMC Section 10.84.060 (A). These findings were supported by substantial evidence specifically tailored to each finding. Staff was unable to identify substantial evidence in the appellant's materials that would undermine and overturn the evidence supporting staff's suggested findings for MBMC Section 10.64.050(B) and MBMC Section 10.84.060(A).

"Because any timely-filed appeal stays actions of the Planning Commission (see MBMC 10.100.010.E; 10.84.080), the MUP is not final and the filing of a Notice of Exemption ("NOE") is, thus, premature."

The City filed a Notice of Exemption with the Los Angeles County Clerk after the Planning Commission made its decision to approve the project, but before appellants filed their appeals and before the two members of the City Council requested review of the Planning Commission's decision. Should the City Council make an environmental determination that the project is categorically exempt from CEQA, the City will file a new Notice of Exemption.

"One of the mitigation measures for the Skechers Project is to require a lengthened left turn pocket onto Tennyson for southbound traffic. This additional left turn capacity will have a significant effect in adding traffic to the Tennyson segment west of Chabela. In turn, additional Project generated traffic in the area creates the likelihood of additional traffic accidents... There have been two recent fatal accidents right by the site of the proposed hotel.... the applicant's traffic consultants Kimley-Horn (see Nov. 18, 2020 Memorandum, pp. 35-36 of 1060) choose to reference 7 collisions over a five year period at the Sepulveda/Tennyson junction but omit to mention that at least two of those were the above referenced fatalities and further they chose to ignore that only two hundred yards from the proposed development at the Sepulveda/Artesia junction there were 37 road traffic accidents (over 7 per year) in the same analyzed period in the same report..."

The lengthening of the left turn lane onto Tennyson Street from Sepulveda Boulevard was proposed as a mitigation measure for Skechers' project approved in 2018 and is thus independent of the applicant's proposal. Any impacts tied to the lengthening of the left turn lane on Sepulveda Boulevard onto Tennyson Street should be tied to the Skechers project, not the applicant's proposal. Furthermore, the roadway configurations are not changing, as Tennyson Street, Sepulveda Boulevard, and the left turn lane onto Tennyson Street from Sepulveda Boulevard already exist and are not being moved.

The appellant states that the "additional project generated traffic in the area creates the likelihood of additional accidents...", but the appellant does not provide evidence explaining how the project's design or operational characteristics increase the "likelihood" of traffic accidents. The project's design provides enhanced driver safety over the existing site, as the existing site does not have a driveway onto Sepulveda Boulevard and thus requires those wishing to travel north to exit the site onto Tennyson Street and then make a right from Tennyson Street onto Sepulveda Boulevard. The proposed new driveway on Sepulveda Boulevard is further north than the intersection of Tennyson Street and Sepulveda Boulevard and will thus provide better sight distance and visibility for vehicles turning right on Sepulveda Boulevard when compared to vehicles turning right onto Sepulveda Boulevard from Tennyson Street, resulting in greater overall safety as compared to the site's existing conditions.

Several factors play a role in traffic accidents that are not influenced by the operational and or physical characteristics of the project, including but not limited to drunk driving, distracted driving,

reckless driving, fatigued drivers, vehicle failure, speeding, and bad weather. The details of the accidents the appellant cites are unknown, and it is unknown what role if any the existing roadway configuration played in the traffic accidents near the site. Staff has reviewed the project's physical and operational characteristics in order to assure the project meets roadway safety standards and all public improvements will be constructed to current standards to minimize any potential for increased collision risk.

"The Project could require an encroachment permit from the California Department of Transportation (Caltrans) and otherwise impact Caltrans' jurisdictional state highway (Sepulveda Boulevard), but it appears... that Caltrans has not been consulted at this point. Such consultation is required by CEQA where impacts to the state highway are likely, including public safety impacts."

CEQA requires lead agencies to consult Caltrans under circumstances where a project requiring an environmental impact report affects highways under Caltrans jurisdiction. The CEQA evaluation prepared for this project concluded that the project would not result in any significant impacts to traffic, noise, air quality, or water quality such that it would require an environmental impact report; nor are there any unusual circumstances that distinguish this project from others in the exempt class. Given that the CEQA evaluation determined that the project is categorically exempt from CEQA under the Class 32 Categorical Exemption, preparation of an environmental impact report was not required; therefore, this requirement is not applicable to the project.

Independent of CEQA regulations, the City's Public Works Department has informed the applicant that the applicant must work with Caltrans to obtain all necessary permits for any work impacting Sepulveda Boulevard prior to issuance of building permits. The applicant will be required to consult with Caltrans prior to submittal of building or street improvement plans as part of the plan check process if the project is approved by the City Council.

Additionally, staff sent an email on October 21, 2020 to Miya Edmonson, Senior Transportation Planner for Caltrans, with a link to the project staff report from the October 14, 2020 Planning Commission. Caltrans did not respond with any questions or comments regarding the project.

The Planning Commission Resolution includes a condition that states "All Sepulveda Boulevard associated street right-of-way dedications shall be separately processed for dedication to Caltrans or to the City as required by Caltrans encroachment/right-of-way permit." If the City Council approves the request, staff recommends that the same condition be imposed in the City Council's Resolution approving the project.

"Where a building creates a change in the aesthetic environment and interferes with scenic views of the public in general by introducing into a primarily single-family, residential neighborhood a large, high-density, residential building, impacts could be significant... At a minimum, the City must require the erection of story poles to publicly disclose the potential aesthetic impacts of the Project before it is approved, and analyze those impacts and others in an Environmental Impact Report."

The front 130.5 feet of the project site along Sepulveda Boulevard has been designated for commercial uses since the City adopted its first "Land Use Plan" in 1941 (Ordinance No. 502), with the entire property designated for commercial uses by 1958 (Ordinance No. 825). Lastly, the development standards allowable by the CG-D8 overlay were evaluated, publicly-noticed, and adopted in 2019. The project conforms to all applicable General Plan policies and meets all applicable development standards for commercial properties in the CG district (MBMC Section

10.16.030) and the D8 Overlay District (MBMC Section 10.44.030), including but not limited to setbacks, FAR, and height. The project was evaluated to ensure consistency with the aforementioned code requirements. The Municipal Code does not require the installation of story poles to assist in the evaluation of height impacts, nor does the City's General Plan identify the site as a scenic resource. Therefore, any requirement placed on the applicant to erect story poles would be arbitrary.

The Class 32 Categorical Exemption does not require that aesthetic impacts be evaluated in determining whether a project is eligible for a Class 32 Categorical Exemption, as the exemption language specifically requires consideration of traffic, noise, air quality, and water quality impacts. The City also does not have a view ordinance, and the Municipal Code does not require the preservation of views for residents or property owners.

"The proposed conditions in Section 8 of the proposed "Resolution No. PC 20-"to approved [sic] the Project... are extensive but likely to be ineffectual in reducing the Project's significant impacts... By definition, a project does not qualify for a categorical exemption unless the agency has determined environmental impacts cannot occur and mitigation measures are unnecessary. Here, the City has imposed conditions of approval to mitigate the Project's likely impacts. For this reason, the City cannot rely on a Class 32, or any other, categorical exemption to CEQA review."

A condition of approval is a requirement placed on a project during the review process of discretionary applications in order to address unique characteristics about a project's land use. A mitigation measure, in the context of CEQA, is a specific remedy to avoid or substantially reduce a project's significant environmental effect identified in an environmental impact report or negative declaration. It is standard practice for Planning Commission and/or City Council resolutions approving discretionary applications to contain conditions of approval. The act of placing land use-based conditions of approval on a project through the use permit process in and of itself does not mean that the project has significant impacts on the environment, nor does it make a project subject to a higher level of CEQA review.

The Project is Categorically Exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15332 (Infill Development Projects) exemption, as it meets the definition of infill development; would be consistent with the applicable General Plan designation and all applicable General Plan policies as well as with the applicable zoning designation and regulations; occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses; would be located on a site that has no habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and could be adequately served by all required utilities and public services. Further, none of the exceptions to the use of a categorical exemption apply to the Project.

The applicant hired the engineering firm Kimley-Horn to conduct a Traffic Impact Analysis that demonstrates that the project will have a less-than-significant impact on traffic. The applicant has also hired an engineer, Barbara L. Hall, P.E., Inc. to conduct a Drainage Technical Report that concluded 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. Michael Baker International, the City's environmental services consultant, has prepared technical studies on the project's noise and air quality. These noise and air quality technical studies have concluded that the project will have less than

significant noise and air quality impacts. The applicant has also 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. Therefore, the project will not result in any significant environmental impacts and mitigation measures are not necessary.

Updates

The applicant has made the following minor, non-substantive refinements:

- reducing the size of the retail/office building to 16,268 square feet from 16,348 square feet.
- Adding architectural screening. The applicant has found it difficult to find bamboo large enough to meet the Planning Commission’s condition to “revise [the] landscaping plan to increase the size of the proposed plant material (upon installation) along the property’s eastern perimeter such that the plant material achieves a height up to the third floor plate height upon issuance of Certificate of Occupancy.” The applicant proposes to meet the intent of this condition by adding architectural screening to both the third and fourth floors of the hotel building’s eastern faced instead of just the fourth floor as originally proposed. Furthermore, the applicant has also developed an enhanced screening solution for the hotel’s eastern façade in response to the Planning Commissioner’s comments from the November 18, 2020 Planning Commission meeting. The attached plans reflect these changes.

REQUIRED FINDINGS:

Section 10.84.010 of the Manhattan Beach Municipal Code states that “Use Permits are required for use classifications typically having unusual site development features or operating characteristics requiring special consideration so that they may be designed, located, and operated compatibly with uses on adjoining properties and in the surrounding area.”

The following findings must be met in order to grant a Master Use Permit. Staff suggests the following findings in support of the Master Use Permit.

- 1. The proposed location of the use is in accord with the objectives of this title and the purposes of the district in which the site is located.*

The project is located in the “CG-D8” (General Commercial, Sepulveda Boulevard Corridor Overlay) design overlay district in Area District I. The Municipal Code stated purpose for the CG General Commercial zone is that the district provides “opportunities for the full range of retail and service businesses deemed suitable for location in Manhattan Beach, including businesses not permitted in other commercial districts because they attract heavy vehicular traffic or have certain adverse impacts; and to provide opportunities for offices and certain limited industrial uses that have impacts comparable to those of permitted retail and service uses to occupy space not in demand for retailing or services.” Furthermore, the Municipal Code’s stated purpose of the D8-Sepulveda Boulevard Corridor Overlay is to provide “more flexible development standards are needed in order to continue to promote desirable development, uses and economic vitality within the General Commercial (CG) zone. The project takes advantage of the 40-foot height limit allowed for hotel uses in the D8- Sepulveda Boulevard Corridor Overlay zone.

The proposed location of the project (Sepulveda Boulevard) 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 a main commercial thoroughfare and is within a commercial district where the uses will complement a full range of retail and service businesses suitable for Manhattan Beach.

2. *The proposed location of the uses and the proposed conditions under which the uses 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 uses; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the city.*

The proposed uses are commercial uses consistent with the General Plan's General Commercial land use designation assigned to the project site and lot, as well as neighboring properties. The proposed uses are consistent with neighboring uses, 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 Municipal Code 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. Further, Municipal Code requirements and conditions of approval address security, safety, aesthetics, and hours of operation. Specific conditions are designed to address concerns expressed at the public hearing, including conditions requiring architectural screening on the 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 can be part of the commercial mix of businesses that help create a dynamic commercial corridor along Sepulveda Boulevard.

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

The proposed uses comply with all provisions of the Manhattan Beach Municipal Code Title 10 Planning and Zoning and any specific conditions imposed.

4. *The uses will not adversely impact or be adversely impacted by nearby properties.*

The proposed uses are located at a site on the Sepulveda commercial corridor. Most of the surrounding properties are also zoned General Commercial and have uses that serve both residents and the greater South Bay. Any potential impacts associated with the proposed uses are minimized by the conditions of approval, as well as the physical distance between the use's location and most residents in nearby blocks, with Chabela Drive, Sepulveda Boulevard, other large commercial structures, fences, and landscaping providing physical separation between the project site and many neighboring structures. The project as conditioned requires hotel and security operation procedures that ensure minimal impacts to nearby properties. The uses will not create demands exceeding the capacity of public services and facilities.

Section 10.64.050(B) of the Manhattan Beach Municipal Code states:

"A use permit may be approved reducing the number of spaces to less than the number specified in the schedules in Section 10.64.030, provided that the following findings are made:

1. The parking demand will be less than the requirement in Schedule A or B; and
2. The probable long-term occupancy of the building or structure, based on its design, will not generate additional parking demand.

In reaching a decision, the Planning Commission shall consider survey data submitted by an applicant or collected at the applicant's request and expense.”

The following findings must be met in order to grant a reduction of parking as part of the Master Use Permit. Staff suggests the following findings in support of the request for a parking reduction.

1. The parking demand will be less than the requirement in Schedule A or B; and

The applicant has provided a parking demand study, prepared by Kimley-Horn and reviewed by the City's Traffic Engineer, that demonstrates that the parking demand generated by the proposed uses is less than the required parking required under MBMC Section 10.64.030.

2. The probable long-term occupancy of the building or structure, based on its design, will not generate additional parking demand.

The conversion of the hotel building to an alternative use with a higher parking demand would be difficult considering the numerous hotel rooms on each floor that would need to be demolished in order to reconfigure each floor space. Furthermore, the Draft Resolution requires 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.

General

The General Plan encourages uses in the General Commercial (CG) zone that are “intended to meet the needs of local residents and businesses and to provide goods and services for the regional market”. The project is specifically consistent with General Plan Policies as follows:

LU-6: Maintain the viability of the commercial areas of Manhattan Beach.

LU-8: Maintain Sepulveda Boulevard as a regional-serving commercial district.

The project helps further the General Plan Policies identified above by providing more overnight accommodation options to people visiting Manhattan Beach and the greater Southern California region. The hotel's guests are likely to support other local businesses during their stay, helping to sustain the City's economic vitality. The project's other new commercial spaces provide opportunities for local and regional businesses looking to locate in new, contemporary buildings.

CONCLUSION:

The City Council has the following options:

1. Direct staff to draft a resolution conditionally approving the application, with the same conditions imposed by the Planning Commission in Planning Commission Resolution No. PC 20-10 (attached);

2. Direct staff to draft a resolution conditionally approving the application, with additional conditions; or
3. Direct staff to draft a resolution containing findings to deny the application.

Staff recommends Options 1 or 2.

PUBLIC OUTREACH:

A public notice for the project's January 19, 2021, City Council public hearing was published in the Beach Reporter on Thursday, January 7, 2021, and was also mailed to surrounding property owners on January 4, 2021. The public notices and agenda posted on Wednesday, January 13, 2021 included information on how members of the public could comment via eComment, email, and voicemail prior to the meeting. The public notice also informed that the public that anyone can provide live testimony by Zoom, and instructions were included on the City website as well as the meeting agenda.

Staff has maintained an email list of interested parties since the Planning Commission first considered the project on October 14, 2020, which includes email addresses of individuals who have made public comments or have inquired about the project. Staff emailed the interested parties on January 5, 2021 notifying them of the date when the City Council will consider the project, how to make public comments before the meeting, and a link to the City's website on how to participate during the public hearing via Zoom. A second email was sent to the interested parties on January 13, 2021 with a link to the staff report for the January 19, 2021 City Council hearing as well as a link to the city's webpage with information on how to participate in the January 19, 2021 public hearing.

As of the writing of this report, staff received a number of public comments in support of and in opposition to the project. (See Attachment)

ENVIRONMENTAL REVIEW:

The Project is Categorically Exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15332 (Infill Development Projects) exemption, as it meets the definition of infill development; would be consistent with the applicable General Plan designation and all applicable General Plan policies as well as with the applicable zoning designation and regulations; occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses; would be located on a site that has no habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and could be adequately served by all required utilities and public services. Further, none of the exceptions to the use of a categorical exemption apply to the Project.

The determination of exemption was supported by a series of technical studies. The applicant hired the engineering firm Kimley-Horn to conduct a Traffic Impact Analysis that shows that the project will have a less-than-significant impact on traffic. Staff has included as Attachment 11 the Kimley-Horn memo "Manhattan Beach Hotel Mixed-Use Project Access Evaluation dated March 8, 2020" (sometimes referred to as the "Right Turn Memo"), which was referenced throughout the project Traffic Impact Analysis and the environmental documents prepared by Michael Baker International. The City's Traffic Engineer has reviewed the Traffic Impact Analysis prepared by Kimley-Horn. The City Traffic Engineer supports the findings in the Traffic Impact Analysis that no significant traffic impacts are anticipated on the roadway network as the result of the project. The applicant has also hired an engineer, Barbara L. Hall, P.E., Inc. to conduct a Drainage Technical Report that

concluded 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. Michael Baker International, the City's environmental services consultant, has prepared technical studies on the project's noise and air quality. MBI has provided an addendum to the Noise Technical Memorandum from September 21, 2020 that addresses crowd noise and the effect of crowd noise on residences to the west of the project, as well as noise generated by amplified speakers. The addendum to the Noise Technical Memorandum is attached. These noise and air quality technical studies have concluded that the project will have less than significant noise and air quality impacts. The applicant has also 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.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Proposed Plans (Web-Link Provided)
2. Planning Commission Resolution No. PC 20-10
3. Planning Commission Draft Minutes (November 18, 2020)
4. Planning Commission Report, Attachments, and Related Material (November 18, 2020) (Web-Link Provided)
5. Planning Commission Minutes (October 14, 2020)
6. Planning Commission Report, Attachments, and Related Material (October 14, 2020) (Web-Link Provided)
7. Appellant Materials- MB Poets
8. Appellant Materials- UNITE HERE Local 11
9. Public Comment (Received as of January 13, 2021)
10. Kimley-Horn Parking Evaluation- March 2020 (Revised January 2021)
11. Michael Baker International - Manhattan Beach Hotel Mixed-Use Project- Addendum to Noise Technical Memorandum (Dated January 12, 2021)