

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: William Fahey

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11 LLC

12 **SUPERIOR COURT OF CALIFORNIA**

13 **COUNTY OF LOS ANGELES**

14 REDONDO BEACH WATERFRONT,
15 LLC, a Delaware limited liability company,

16 Plaintiff,

17 v.

18 CITY OF REDONDO BEACH, a
19 municipal corporation, and DOES 1
20 through 50, inclusive,

21 Defendants.

CASE NO.

**COMPLAINT FOR DECLARATORY
RELIEF**

1 Plaintiff Redondo Beach Waterfront, LLC (“**Plaintiff**”) hereby alleges as follows:

2 **INTRODUCTION**

3 1. For years the City of Redondo Beach (“**City**”) has needed to revitalize and
4 redevelop the Redondo Beach King Harbor Pier area (“**Waterfront**”). The current infrastructure
5 surrounding the Waterfront has deteriorated, and the Waterfront is in dire need of extensive
6 infrastructure and public safety improvements, including an updated pier, new roads, the
7 rebuilding of a dilapidated parking garage and other buildings. The City needs to replace a public
8 swimming area known as the “Seaside Lagoon,” which was constructed in the 1970s and which
9 has been polluting and continues to pollute the ocean. The City has failed to operate the Seaside
10 Lagoon in accordance with applicable environmental laws and regulations; as a result, the City
11 has been assessed thousands of dollars in fines for violating the Seaside Lagoon’s National
12 Pollution Discharge Elimination System permit. The City itself estimates the cost of the
13 improvements and updates to the dilapidated infrastructure to be over \$100 million – money the
14 City does not have.

15 2. Because the City lacked the funds necessary to replace the deteriorating
16 infrastructure and make the public safety improvements, the City decided to enter into a “public-
17 private partnership” with a developer for the construction of a new development that would
18 include the necessary public infrastructure improvements. After a highly competitive process,
19 CenterCal Properties, LLC (“**CenterCal**”) was selected as the City’s development partner and
20 was requested to head-up the potential project. With the City’s knowledge and consent,
21 CenterCal later assigned its rights under various agreements with the City to Plaintiff, who
22 became the City’s redevelopment partner. Plaintiff has fully committed itself to helping the City
23 achieve its development goals to revitalize and redevelop the Waterfront (hereinafter, the
24 “**Waterfront Project**”).

25 3. After years of hard work and millions of dollars invested by Plaintiff, on August 8-
26 9, 2016, the City Harbor Commission adopted Resolution Nos. 2016-08-HCR-001 and 2016-08-
27 HCR-002 certifying an environmental impact report (“**EIR**”) and approving a Coastal
28 Development Permit, Conditional Use Permit, Harbor Commission Design Review, and Vesting

1 Tentative Tract Map No. 74207 for the Waterfront Project (collectively, the “**Waterfront**
2 **Entitlements**”). The Harbor Commission’s approval of the Waterfront Entitlements was
3 appealed to the Redondo Beach City Council, and on October 18-19, 2016, the City Council
4 adopted Resolution No. CC-1610-099 which denied the appeal and upheld the Harbor
5 Commission’s approval of the Waterfront Entitlements. Plaintiff received notice from the City
6 that the application for approval of Vesting Tentative Tract Map No. 74207 was “deemed
7 complete” on June 23, 2016; thus, as a matter of law, Plaintiff’s development rights were vested
8 against the City as of June 23, 2016.

9 4. On January 31, 2017, after Plaintiff had obtained its vested rights, the City and
10 Plaintiff entered into an Agreement for Lease of Property and Infrastructure Financing
11 (“**ALPIF**”) in connection with the Waterfront Project, which commits Plaintiff to spending
12 millions of dollars of additional funds on the Waterfront Project in addition to the more than \$20
13 million that Plaintiff has already spent. Under the terms of the ALPIF, the City agreed to, among
14 other things, move forward with the contemplated Waterfront Project and lease various parcels to
15 Plaintiff in connection with the redevelopment.

16 5. The ALPIF also governs, among other things, the obligations of Plaintiff and the
17 City concerning the contemplated development. Specifically, the ALPIF prohibits the City from
18 entering into lease agreements with third parties for the lease parcels, unless: (1) such agreements
19 can be freely terminated by the City with no more than six (6) months prior notice from the City,
20 (2) Plaintiff is notified of such an agreement, and (3) Plaintiff reasonably approves such an
21 agreement. The City further agreed in the ALPIF that the marina parking lot would be leased to
22 Plaintiff, and that the City and Plaintiff would enter into the Seaside Lagoon Concessionaire
23 Agreement (“**Concessionaire Agreement**”), whereby Plaintiff would have the *exclusive* right to
24 operate concessions at the Seaside Lagoon. Attached hereto as Exhibit “A”, and incorporated by
25 reference herein, is a true and correct copy of the City’s Administrative Report dated January 31,
26 2017, approving the ALPIF.

27 6. Unfortunately for Plaintiff, after years of hard work and millions of dollars
28 expended on the project, a few months after entering into the ALPIF, a change in City leadership

1 took place, and the new leadership had no desire to move the Waterfront Project forward or to
2 comply with the ALPIF.

3 7. To this end, on September 4, 2018, the City voted to enter into an Amended and
4 Restated Agreement for Special Event Services and Revocable License for the Use of Real
5 Property (“**Lease Agreement**”) with Sanford Ventures Inc. (“**Producer**”). The termination
6 provision contained in Section 10 of this Lease Agreement allows for, among other things,
7 termination only upon a determination that a festival sponsored by Producer would create a
8 serious imminent danger to public health, safety and welfare. Moreover, the term of the Lease
9 Agreement is over 10 years, with an option to extend the Lease Agreement for an additional five
10 (5) years. These provisions of the Lease Agreement are blatantly inconsistent with Plaintiff’s
11 rights under the ALPIF – the City does not have a six-month termination right, Plaintiff was not
12 notified of the agreement, and Plaintiff was not provided an opportunity to approve the Lease
13 Agreement.

14 8. Moreover, the Lease Agreement authorizes the use of property and operations that
15 the City agreed would be exclusive to Plaintiff. In the ALPIF, the City agreed to lease the
16 parking lot at issue in the Lease Agreement to Plaintiff, and to give Plaintiff the exclusive right to
17 operate concessions at the Seaside Lagoon. However, the Lease Agreement with Producer denies
18 Plaintiff all of these rights.

19 **PARTIES**

20 9. Plaintiff is the selected developer of the Waterfront Project who has invested over
21 \$20 million and over six years of work planning, designing, engineering, conducting
22 environmental studies in support of, and entitling the Waterfront Project at the City’s request and
23 for the City’s benefit.

24 10. Plaintiff is a Delaware limited liability company, qualified to transact business in
25 California, with its principal place of business in El Segundo, California.

26 11. Defendant City is a coastal suburb in Los Angeles County. The City is a
27 municipal corporation and a charter city with the capacity to be sued.

28

1 12. Does 1-50 are individuals and/or entities, who, at the time of the events described
2 herein, were and are responsible for acts and omissions related to Plaintiff as alleged herein and,
3 as such, should be included in this complaint as if named and included as such. The true names
4 and capacities, whether individual, corporate, associate, or otherwise, of such defendants are
5 unknown to Plaintiff who therefore sues said defendants by such fictitious names. Plaintiff will
6 amend this complaint to allege the true names and capacities of said defendants when the same
7 are ascertained.

8 **JURISDICTION AND VENUE**

9 13. The Superior Court of the State of California, County of Los Angeles, has
10 jurisdiction over the parties and the subject matter of this action. All the acts and/or omissions of
11 the City alleged herein occurred within the County of Los Angeles. Additionally, the City is a
12 charter city known as the City of Redondo Beach, a coastal suburb in Los Angeles County.

13 **BACKGROUND**

14 14. Plaintiff is informed and believes, and thereon alleges, that for more than ten (10)
15 years the City has sought to revitalize and redevelop the Waterfront. It is now imperative that the
16 City do so. The Waterfront is in dire need of extensive infrastructure and public safety
17 improvements which include, among other things, an updated pier, new roads, and a public
18 parking garage. The existing public structure is unsafe and dilapidated. Worse, the City must
19 replace a public swimming area known as the "Seaside Lagoon." The City has repeatedly
20 violated and continues to violate various Federal and State Water Quality regulations concerning
21 the operation of the Seaside Lagoon. It is a matter of public record that the City has been
22 assessed fines in the thousands of dollars for violations of the Seaside Lagoon's National
23 Pollution Discharge Elimination System permit.

24 15. Plaintiff is informed and believes, and thereon alleges, that the total cost of such
25 infrastructure and public safety improvements is estimated to be in excess of \$100 million and
26 that the City does not have the funds to make the necessary improvements.

27 16. Because the City lacked the funds to undertake the needed infrastructure and
28 public safety improvements for the Waterfront, the City sought out a private developer to enter

1 into a “public-private partnership” for the construction of approximately 550,000 square feet of
2 renovation and development that included, among other things, restaurant, lodging, recreational
3 and office uses.

4 17. In response to the City’s solicitation and request, CenterCal proposed its vision of
5 a seaside village for the Waterfront and was selected as the City’s developer for the Waterfront
6 Project. CenterCal, with the City’s consent, later assigned its rights to Plaintiff, who stepped into
7 the public-private partnership with the City for the development of the Waterfront Project.

8 ENTITLEMENTS

9 18. After entering an Exclusive Negotiating Agreement, Reimbursement Agreement
10 and a Memorandum of Understanding, in June 2016, Plaintiff submitted its application for the
11 Waterfront Entitlements. Plaintiff received notice from the City that its application for Vesting
12 Tentative Tract Map No. 74207 (“**Vesting Map**”) was “deemed complete” on June 23, 2016.
13 Thereafter, at great cost to Plaintiff, the Waterfront Project was subjected to extensive
14 environmental review, which culminated in the certification of the Waterfront Project’s EIR by
15 the Harbor Commission in August 2016, and by the City Council on appeal in October 2016.

16 19. On October 18, 2016, the Redondo Beach City Council adopted Resolution No.
17 CC-1610-099, which approved the Waterfront Entitlements, including the Vesting Map No.
18 Attached hereto as Exhibit “B” is a true and correct copy of Resolution No. CC-1610-099.
19 Attached hereto as Exhibit “C” is a true and correct copy of the City’s letter deeming Plaintiff’s
20 application for its Vesting Tentative Tract Map complete. As Plaintiff’s rights vested in the
21 Waterfront Project on June 23, 2016, Plaintiff is entitled to proceed with the development of the
22 Waterfront Project in compliance with the ordinances, standards, and policies in effect as of June
23 23, 2016.

24 THE ALPIF

25 20. On or about January 30, 2017, the City Council voted to enter into the ALPIF with
26 Plaintiff. In reliance on the fact that Plaintiff’s rights were vested as of June 23, 2016, and the
27 City’s obligation to act in good faith, on January 31, 2017, Plaintiff executed the ALPIF with the
28

1 City. The ALPIF was executed on behalf of the City by then Mayor Stephen Aspel, binding the
2 City to the terms of the ALPIF.

3 21. Pursuant to Section 201.1 of the ALPIF, the City is prohibited from entering into a
4 lease agreement with a third party, unless the lease agreement “can be freely terminated by City
5 with no more than six (6) months prior notice from the City” and “Developer has reasonably
6 approved” it. Section 201.1 of the ALPIF provides:

7
8 **201.1 Lease Extensions and New Leases.** The City shall not
9 extend any month-to-month lease with tenants on the Lease Parcels,
10 and shall not enter any new lease for portions of the lease
11 Parcels, unless (i) such leases can be freely terminated by City
12 with no more than six (6) months prior notice from the City,
13 and (ii) Developer has reasonably approved such leases. City
14 shall notify Developer of any proposed lease extension and/or
15 new lease before execution (such notifications to contain all of
16 the material terms of such proposed new lease or extension),
17 and Developer shall have the right to refuse to grant its consent if
18 the proposed new lease or lease extension does not meet the
19 foregoing requirements, would place material additional financial
20 burden on Developer, or would breach any **exclusive** or other use
21 restriction on the developed parcels on the Lease Parcels.
22 (Emphasis added.)

23 22. The City also agreed in the ALPIF that the marina parking lot would be leased to
24 Plaintiff, that the City and Plaintiff would enter into the Concessionaire Agreement attached as
25 Attachment No. 5 to the ALPIF, and that Plaintiff shall have the exclusive right to operate
26 concessions at the Seaside Lagoon. Section 2 of the Concessionaire Agreement provides:

27
28 **2. GRANT OF POSSESSORY INTEREST**

The City, for and in consideration of the covenants, and agreements
hereinafter reserved and contained on the part of Concessionaire to
be kept, performed and observed by Concessionaire, hereby grants
to Concessionaire for the purposes stated herein, **exclusive**
possession of the premises and the right, privilege and duty to plan,
design, develop, permit, construct, equip, furnish, operate and
maintain an **exclusive concession** on the Premises, including
without limitation, any improvements currently existing and any
improvements constructed on the Premises after the
Commencement Date.... (Emphasis added.)

29 23. The ALPIF also requires the City to cooperate with Plaintiff concerning any
30 revised plans for the Waterfront Project. Section 303 of the ALPIF provides:

303. Land Use Approvals. City staff shall work

1 **cooperatively** with the Developer to assist in coordinating the
2 expeditious processing and consideration of all necessary permits,
entitlements, and approvals.... (Emphasis added.)

3 Section 721 of the ALPIF provides:
4

5 **721. Cooperation.** Each Party agrees to **cooperate** with the other
6 in this transaction and, in that regard, to sign any and all documents
7 which may be reasonably necessary, helpful, or appropriate to carry
8 out the purposes and intent of this Agreement including, but not
9 limited to, releases or additional agreements. (Emphasis added.)

10 24. The ALPIF also contains an implied covenant of good faith and fair dealing, which
11 requires the City to refrain from taking any action that would deny Plaintiff its rights under the
12 agreement or seek to thwart the goals of the agreement, and obligates the City to do everything
13 the contract presupposes that the City will do to accomplish the purpose of the ALPIF. See
14 Pasadena Live, LLC v. City of Pasadena, 114 Cal. App. 4th 1089, 1093 (2004) (“Under the
implied covenant of good faith and fair dealing, City was required ‘to do everything that the
contract presupposes that [City] will do to accomplish its purpose.’”).

15 **THE CITY ENTERS INTO THE LEASE AGREEMENT**

16 25. On September 4, 2018, the City voted to enter into the Lease Agreement with
17 Producer. A true and correct copy of the City’s September 4, 2018 Administrative Report
18 approving and attaching the Lease Agreement is attached hereto as Exhibit “D” and incorporated
19 by reference herein.

20 26. Pursuant to Section 201.1 of the ALPIF, the City is prohibited from entering into
21 any such agreement, unless the lease agreement “can be freely terminated by City with no more
22 than six (6) months prior notice from the City” and “Developer has reasonably approved it.”
23 Section 201.1 also requires the City to “notify Developer of any...new lease before execution....”

24 27. Despite the requirements in the ALPIF, the termination provision contained in
25 Section 10 of the Lease Agreement allows for, among other things, termination only upon a
26 determination that a festival sponsored by Producer would create a serious imminent danger to
27 public health, safety and welfare.

1 28. Additionally, the City did not provide notice of the Lease Agreement to Plaintiff
2 before execution, and Plaintiff did not reasonably approve the Lease Agreement as required by
3 the ALPIF.

4 29. The Lease Agreement also authorizes the use of property and operations that the
5 City agreed would be exclusive to Plaintiff. Among other things, the Lease Agreement: (1) grants
6 the right to Producer to use the Seaside Lagoon, (2) grants the right to Producer to use the Marina
7 Parking, and (3) authorizes Producer to serve concessions, including “food, beverage and
8 alcoholic beverage service operations throughout the site....”

9 30. The Lease Agreement was done in violation of the ALPIF and denies Plaintiff
10 exclusive possession of the property and the exclusive right to operate concessions. The City’s
11 unauthorized agreement with Producer significantly reduce the value of all entitlements and rights
12 Plaintiff has obtained through the ALPIF.

13 31. On October 1, 2018, Plaintiff filed a claim with the City concerning the Lease
14 Agreement, a true and correct copy of which is attached hereto as Exhibit “E.” As of the date of
15 the filing of this complaint, the City has not responded to Plaintiff’s claim.

16 **THE CITY REFUSES TO TAKE ACTION TO EXTEND THE VESTING MAP**

17 32. As stated above, Plaintiff received notice from the City that its Vesting Map was
18 “deemed complete” on June 23, 2016. (Exhibit “C”.) Thereafter, at great cost to Plaintiff, the
19 Waterfront Project was subjected to extensive environmental review, which culminated in the
20 certification of the Waterfront Project’s EIR by the Harbor Commission in August 2016.

21 33. On October 18, 2016, the Redondo Beach City Council adopted Resolution No.
22 CC-1610-099, which approved the Waterfront Entitlements, including the Vesting Map No.
23 (Exhibit “B”.) As Plaintiff’s rights vested in the Waterfront Project on June 23, 2016, Plaintiff is
24 entitled to proceed with the development of the Waterfront Project in compliance with the
25 ordinances, standards, and policies in effect as of June 23, 2016.

1 34. Redondo Beach Municipal Code, Article 5, Section 10-1.514 provides that “[t]he
2 approval of a ... tentative map shall expire thirty-six (36) months after the date the map was
3 approved.” Thus, the Vesting Map was originally set to expire in October 2019.

4 35. On November 18, 2016, Building a Better Redondo filed an action challenging the
5 Waterfront Entitlements, including the Vesting Map, which was proceeding as Los Angeles
6 Superior Court case number BS166124 (“**CEQA Lawsuit**”). On or about July 30, 2018, Judge
7 Chalfant entered a judgment setting aside the EIR. However, Judge Chalfant, knowing the
8 importance of the Vesting Map to Plaintiff, included within his judgment, a provision that the
9 Vesting Map would not be set aside. In pertinent part, Judge Chalfant’s judgment states:

10
11 **THE COURT ORDERS, ADJUDGES AND DECREES** that
12 Petitioners’ verified first amended petition for writ of mandate and
13 complaint for declaratory relief filed January 3, 2017 (**FAP&C**); the
14 operative pleading is granted in part, and a peremptory writ of
15 administrative mandamus shall issue, remanding the matter to
16 Respondents and directing them to:

17 1. Set aside the certification of the final environmental impact
18 report (**EIR**) for the entitlements for the Waterfront Project
19 (State Clearinghouse No. 2014061071; File No. 2014-04-EIR-
20 001) and approval of entitlements for the Waterfront Project,
21 except for the approval by the City of the Vesting Tentative
22 Tract Map No. 74207 (VTTM), which VTTM shall not be set
23 aside. (Underlining added; not in original)

24 Additionally Judge Chalfant directed the City to prepare and recirculate for public review a
25 revised EIR addressing the following: (1) recirculate the analysis of navigational safety of the
26 Mole B Boat Ramp, (2) revise the analysis of Water Quality and Public Health in the Seaside
27 Lagoon, (3) revise the analysis of view impacts to address the hotel’s impact on the ocean views
28 from the bottom of Czuleger Park, and (4) revise the analysis of consistency/integration of the
29 view impacts with LUP Policy 2’s purported ban on any obstruction of views from Czuleger Park
30 to the ocean. A true and correct copy of Judge Chalfant’s judgment (the “**CEQA Judgment**”) is
31 attached hereto as Exhibit “F”.

32 36. On March 7, 2017, the City enacted Measure C. Realizing that Measure C was
33 inconsistent with the Waterfront Project and the Vesting Map, the City sent Plaintiff a letter
34 contending that Measure C prevented the City’s performance under the ALPIF. As a result, on

1 March 28, 2017, Plaintiff filed a verified petition for Writ of Mandate and Complaint for
2 Declaratory and Injunctive Relief seeking, in part, a declaration that Measure C could not be
3 applied to the Project because Measure C impermissibly interfered with Plaintiff's statutory
4 vested rights. This case proceeded as case number BS168564 (the "**Measure C Action**"). On
5 March 22, 2018, the Court ruled in favor of Plaintiff and agreed that Measure C could not be
6 applied to the Project. Currently, this ruling is being appealed by Building a Better Redondo,
7 Wayne Craig, and Martin Holmes.

8 37. On November 9, 2017, Plaintiff filed a complaint against the City for declaratory
9 relief and damages due to violation of substantive and procedural due process rights and breach of
10 contract. This case proceeded as case number BC682833 (the "**Damages Action**"). Plaintiff
11 sued the City, in part, because (i) the City failed to respond to the Coastal Commission's request
12 for additional information concerning the required boat ramp in efforts to derail the Project and
13 effectively denied Plaintiff its vested rights and (ii) the City, through its conduct, jeopardized the
14 Vesting Map in violation of the ALPIF. In response to this action, the City asserted a frivolous
15 Anti-SLAPP motion. On July 24, 2018, the Court denied the City's Anti-SLAPP motion. In an
16 effort to delay this litigation until the Vesting Map expires, the City appealed the denial of its
17 Anti-SLAPP motion, causing a stay in the litigation.

18 38. On February 13, 2019, pursuant to Cal. Gov. Code § 66452.6, Plaintiff sent an
19 application to the City requesting that the City stay the expiration of the Vesting Map for the
20 length of time that the CEQA Lawsuit, Measure C Action, and Damages Action were pending or
21 for three years. Specifically, Plaintiff requested:

22 [P]ursuant to Section 66452.6(c) of the California Government
23 Code, RBW hereby requests that the City Council extend the
24 expiration of VTTM 42207 for the period during which the above
referenced litigation is pending before the Court or for three (3)
years, whichever is earliest.

25 A true and correct copy of Plaintiffs' February 13, 2019 application is attached hereto as Exhibit
26 "G."

1 39. The City failed to take any action on the application. Thus, on March 25, 2019,
2 pursuant to Cal. Gov. Code §§ 66452.4 and 66452.6, as a matter of law, the application for the
3 stay of the expiration of the Vesting Map was automatically deemed approved.

4 **THE CITY REFUSES TO CORRECT THE EIR**

5 40. On August 13, 2018, following the CEQA Judgment in the CEQA Lawsuit,
6 Plaintiff's counsel sent the City a letter asking the City to address these straightforward issues
7 regarding the EIR. The letter reminded the City of Sections 303 and 721 of the ALPIF, which
8 require the City to cooperate with Plaintiff, and that the City's failure to work with Plaintiff to
9 correct the EIR constitutes additional material defaults and material breaches of the ALPIF by the
10 City. The City did not even respond to Plaintiff's letter. Attached hereto as Exhibit "H", and
11 incorporated by reference herein, is a true and correct copy of Plaintiff's August 13, 2018, letter
12 to the City.

13 41. On March 19, 2019, in partial compliance with the CEQA Judgment, the City
14 decertified the EIR. However, in an attempt to circumvent the CEQA Judgment, the City made
15 no plans to correct the EIR despite repeated requests by Plaintiff. Attached hereto as Exhibit "I",
16 and incorporated by reference herein, is a true and correct copy of the City's March 19, 2019
17 Administrative Report showing that the City decertified the EIR and has no plans to revise the
18 EIR. By not correcting the EIR, not only is the City violating the CEQA Judgment, the City is
19 violating its obligations to cooperate under the ALPIF. Plaintiff would amend the Damages
20 Action to add this breach. However, since the Damages Action is stayed as a result of the City's
21 appeal of the denial of its Anti-SLAPP Motion, Plaintiff is unable to amend that complaint to
22 assert this breach.

23 **FIRST CAUSE OF ACTION**

24 **DECLARATORY RELIEF**

25 **(Lease Agreement)**

26 42. Plaintiff hereby realleges and incorporates paragraphs 1 through 41 as if set forth
27 fully herein.

1 43. Plaintiff and the City entered into the ALPIF, and the ALPIF is a valid and
2 enforceable written contract. Plaintiff performed all of its obligations under the ALPIF, except
3 those obligations that Plaintiff was excused from performing.

4 44. An actual controversy has arisen between Plaintiff, on one hand, and the City, on
5 the other, concerning, among other things, the obligations, if any, under the Lease Agreement and
6 the rights and obligations under the ALPIF. Plaintiff contends that:

7 (a) The Lease Agreement is not a license;

8 (b) The Lease Agreement cannot be terminated on six (6) months prior notice;

9 (c) The Lease Agreement was required to be approved by Plaintiffs prior to the City
10 entering into the agreement with Producer;

11 (d) The City did not provide Plaintiff notice that it intended to enter into the Lease
12 Agreement;

13 (e) The City entering into the Lease Agreement is inconsistent with the City's
14 obligations under the ALPIF;

15 (f) The Lease Agreement interferes with property rights granted in the ALPIF
16 because, among other things, the Lease Agreement: (1) grants the right to Producer to use the
17 Seaside Lagoon, (2) grants the right to Producer to use the Marina Parking, and (3) authorizes
18 Producer to serve concessions, including "food, beverage and alcoholic beverage service
19 operations throughout the site..."; and

20 (g) The Lease Agreement violates the ALPIF.

21 45. Plaintiff is informed and believes, and thereon alleges, that the City disputes these
22 contentions.

23 46. Plaintiff desires a judicial determination of the rights and duties of Plaintiff and the
24 City as to these opposing contentions. Such a declaration is necessary and appropriate at this time
25 so that the respective rights and obligations of the parties are resolved.

1 **SECOND CAUSE OF ACTION**

2 **DECLARATORY RELIEF**

3 **(Vesting Tentative Tract Map)**

4 47. Plaintiff hereby realleges and incorporates paragraphs 1 through 46 as if set forth
5 fully herein.

6 48. Government Code Section 66452.6(c) provides that the period of time provided
7 under a local ordinance “shall not include the period of time during which a lawsuit involving the
8 approval or conditional approval of the tentative map is or was pending in a court of competent
9 jurisdiction, if the stay of the time period is approved by the local agency pursuant to this section.
10 After service of the initial petition or complaint in the lawsuit upon the local agency, the
11 subdivider may apply to the local agency for a stay pursuant to the local agency's adopted
12 procedures. Within 40 days after receiving the application, the local agency shall either stay the
13 time period for up to five years or deny the requested stay.”

14 49. Government Code Section 66452.4(a) provides that “If no action is taken upon a
15 tentative map by an advisory agency that is authorized by local ordinance to approve,
16 conditionally approve, or disapprove the tentative map or by the legislative body within the time
17 limits specified in this chapter or any authorized extension thereof, the tentative map as filed,
18 shall be deemed to be approved, insofar as it complies with other applicable requirements of this
19 division and any local ordinances, and it shall be the duty of the clerk of the legislative body to
20 certify or state his or her approval.”

21 50. An actual controversy has arisen between Plaintiff, on one hand, and the City, on
22 the other, concerning, among other things, the expiration of the Vesting Map. Plaintiff contends
23 that:

- 24 (a) The Vesting Map is critical to Plaintiff’s ability to develop the Waterfront Project;
25 (b) As a result of the City’s failure to take any action on Plaintiff’s February 13, 2019
26 Application, the Vesting Map has already been extended as a matter of law for either 3 years or a
27 period of time co-extensive with the CEQA Lawsuit, the Measure C Action, and the Damages
28 Action; and

1 (c) Alternatively, if the Vesting Map is not automatically extended as a matter of law,
2 the Vesting Map should be extended for a period of time co-extensive with the CEQA Lawsuit,
3 the Measure C Action, and the Damages Action.

4 51. Plaintiff is informed and believes, and thereon alleges, that the City disputes these
5 contentions.

6 52. Plaintiff desires a judicial determination of the rights and duties of Plaintiff and the
7 City as to these opposing contentions. Such a declaration is necessary and appropriate at this time
8 so that the respective rights and obligations of the parties are resolved.

9 **THIRD CAUSE OF ACTION**

10 **DECLARATORY RELIEF**

11 **(EIR)**

12 53. Plaintiff hereby realleges and incorporates paragraphs 1 through 52 as if set forth
13 fully herein.

14 54. An actual controversy has arisen between Plaintiff, on one hand, and the City, on
15 the other, concerning, among other things, the obligations, if any, pursuant to the CEQA
16 Judgment and the rights and obligations under the ALPIF. Plaintiff contends that:

17 (a) Pursuant to the CEQA Judgment and the ALPIF, the City must recirculate and
18 revise the EIR, including: (1) recirculate the analysis of navigational safety of the Mole B Boat
19 Ramp, (2) revise the analysis of Water Quality and Public Health in the Seaside Lagoon, (3)
20 revise the analysis of view impacts to address the hotel's impact on the ocean views from the
21 bottom of Czuleger Park, and (4) revise the analysis of consistency/integration of the view
22 impacts with LUP Policy 2's purported ban on any obstruction of views from Czuleger Park to
23 the ocean.;

24 55. Plaintiff is informed and believes, and thereon alleges, that the City disputes these
25 contentions.

26 56. Plaintiff desires a judicial determination of the rights and duties of Plaintiff and the
27 City as to these opposing contentions. Such a declaration is necessary and appropriate at this time
28 so that the respective rights and obligations of the parties are resolved.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

1. For declaratory judgment that:

- (a) The Lease Agreement is not a license;
- (b) The Lease Agreement cannot be terminated on six (6) months prior notice;
- (c) The Lease Agreement was required to be approved by Plaintiffs prior to the City entering into the agreement with Producer;
- (d) The City did not provide Plaintiff notice that it intended to enter into the Lease Agreement;
- (e) The City entering into the Lease Agreement is inconsistent with the City's obligations under the ALPIF;
- (f) The Lease Agreement interferes with property rights granted in the ALPIF;
- (g) The Lease Agreement violates the ALPIF.
- (h) The Vesting Map is critical to Plaintiff's ability to develop the Waterfront Project;
- (i) The Vesting Map has been extended as a matter of law for 3 years or a time coextensive with CEQA Lawsuit, Measure C Action, and Damages Action pursuant to Cal. Gov. Code §§ 66452.4 and 66452.6; and
- (j) Alternatively, if the Vesting Map is not automatically extended as a matter of law, the Vesting Map is extended for a period of time co-extensive with the CEQA Lawsuit, Measure C Action, and Damages Action.
- (k) The City must correct the EIR in accordance with the CEQA Judgment issued by Judge Chalfant, including (1) recirculating the analysis of navigational safety of the Mole B Boat Ramp, (2) revising the analysis of Water Quality and Public Health in the Seaside Lagoon, (3) revising the analysis of view impacts to address the hotel's impact on the ocean views from the bottom of Czuleger Park, and (4) revising the analysis of consistency/integration of the view impacts with LUP Policy 2's purported

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ban on any obstruction of views from Czuleger Park to the ocean;

- 2. For attorneys' fees to the extent permitted by law;
- 3. For costs of suit incurred herein; and
- 4. For such other and further relief as the Court may deem just and proper

Dated: April 18, 2019

SHUMENER, ODSON & OH LLP

By: 

JOHN D. SPURLING
Attorneys for Plaintiff Redondo Beach
Waterfront, LLC

EXHIBIT A



Administrative Report

Council Action Date: January 31, 2017

To: MAYOR AND CITY COUNCIL

From: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

Subject: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH APPROVING AN AGREEMENT FOR LEASE OF PROPERTY AND INFRASTRUCTURE FINANCING BETWEEN THE CITY AND REDONDO BEACH WATERFRONT, LLC

RECOMMENDATION

1. Conduct a Public Hearing on the Agreement for the Lease of Property and Infrastructure Financing ("ALPIF") for the Waterfront Project by and between the City of Redondo Beach and Redondo Beach Waterfront, LLC.

Staff recommends the following process:

- a) Announcement and motion to open the public hearing;
- b) Receive Public testimony;
- c) City Council deliberation; and
- d) Close the Public Hearing.

2. Adopt the recommended resolution approving the Agreement for Lease of Property and Infrastructure Financing between the City of Redondo Beach and Redondo Beach Waterfront LLC.

EXECUTIVE SUMMARY

On December 13, 2016, the City Council took action to receive and file an Agreement for the Lease of Property and Infrastructure Financing ("ALPIF") for the proposed Waterfront Project. The City Council also directed staff to conduct a public hearing on December 20, 2016 to receive public testimony on the ALPIF and related reports and for the City Council to consider that testimony and possible action on the ALPIF. In response to comments from the public and the City Council at the December 13, 2016

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meeting, the City and CenterCal engaged in additional negotiations regarding certain provisions of the ALPIF and as a result continued the Public Hearing scheduled for December 20, 2016, to January 17, 2017. On January 17, 2017 the City Council received a revised ALPIF and a financial analysis on the proposed transaction and conducted a public hearing on the new materials (copies of Administrative Reports are attached as Exhibits A and B). The Public Hearing was continued to the January 31, 2017 City Council meeting for further discussion and consideration of adoption of a resolution to authorize execution of the ALPIF with Redondo Beach Waterfront LLC.

The execution of the ALPIF (attached as Exhibit C) is the next step in the City's effort to revitalize the Redondo Beach Waterfront. The ALPIF sets forth the conditions that must be satisfied for the City to execute a series of agreements with the developer that would allow for implementation of the Project and use of the property. The Ground Leases and the Concessionaire Agreement attached to the ALPIF outline the business terms for the project, including but not limited to term, rent, development responsibilities, and obligations for ongoing maintenance and repair of the project/property.

Staff recommends the City Council open the public hearing and take testimony on the ALPIF and related materials, consider the public testimony, deliberate, and take action on the resolution approving the ALPIF.

BACKGROUND

The City has been engaged in a decade long process to redevelop a significant portion of the Redondo Beach Waterfront. Over that period, the public process has been extensive, and the policy direction has been clear and consistent to move forward with a revitalization strategy for the Waterfront built upon a model of public-private partnership. As part of that process, the City solicited developer interest in the redevelopment opportunity and CenterCal Properties was selected via a competitive process to be the City's development partner. The City has worked with CenterCal and the community to create a revitalization plan for the Waterfront. The plan has been the subject of an extensive environmental review process, which culminated with the certification of an Environmental Impact Report by both the Harbor Commission and the City Council in August 2016 and October 2016, respectively.

The next step in the Waterfront Project is for the City Council to consider the transaction documents associated with the Project and the use of the underlying property. The document before the City Council is the Agreement for Lease of Property and Infrastructure Financing (the "ALPIF").

Agreement for the Lease of Property and Infrastructure Financing (“ALPIF”)

The ALPIF is comprised of a main document and a series of attachments that if approved by the City Council would formalize the contractual relationship between the City of Redondo Beach (the “City”) and the developer of the Waterfront Project - Redondo Beach Waterfront, LLC (the “Developer”). The body of the ALPIF is intended to serve as the primary contractual agreement between the parties, until such time as individual leases and agreements for the various properties that comprise the Waterfront Project are fully executed. Once those documents are executed, they will control the business relationship between the City and the Developer and the ALPIF will no longer be in effect.

Since the purpose of the ALPIF is to bridge the time period between City Council approval and the execution of the various leases and agreements, much of the ALPIF is dedicated to outlining the conditions that must be satisfied by both parties prior to the execution of those documents. These include requirements that:

- All land use approvals for the Waterfront Project have been secured;
- Construction contracts have been secured and all appropriate insurance and construction security instruments are in place;
- The Developer and the City have prepared and reviewed the respective financing plans for the Project and the City has approved construction loan documents;
- Relocation plans or lease terminations have been issued for existing tenants; and
- Resolution of any outstanding title matters.

In addition, the ALPIF:

- Sets forth the proposed uses and development for the site;
- Outlines the roles and responsibilities for the provision of various public improvements that will be provided as part of the Waterfront Project;
- Describes the types of construction security (e.g., Performance Bond and Payment Bond) required to ensure relevant portions of the project are completed;
- Describes those actions that constitute a default by either party, the opportunities to remedy those defaults and the conditions under which either party can terminate the agreement; and

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- Sets forth the conditions under which the rights of the Developer of the Waterfront Project may be transferred to another entity

Tidelands and Uplands Ground Lease

Once the conditions set forth in the ALPIF have been satisfied, the City and the Developer may enter into the Uplands and Tidelands Ground Leases and the Seaside Lagoon Concessionaire Agreement. The Ground Leases and Concessionaire Agreement are intended to serve as the primary contractual agreement for the Waterfront Project and they include the primary transaction terms agreed upon by the Developer and the City.

The Uplands and Tidelands Ground Leases are mirror images of each other and contain virtually all of the same language and provisions. The one notable difference between the documents is the Rent section – where the Uplands Lease provides language associated with the calculation of rent and its defining terms and the Tidelands Lease has a simple Rent provision that outlines the amount of Rent due under the Lease. Following are some of the key provisions set forth in the Uplands and Tidelands Ground Leases:

- Contracting Entity – The City is executing the Ground Leases with Redondo Beach Waterfront LLC which is comprised of CC Associates LLC (the CenterCal entity) and Redondo Holdings LLC (the Westport Capital entity).
- Lease Term – The Uplands Ground Lease would lease the Uplands portions of the Waterfront Project to the Developer for 99 years and the Tidelands Lease would lease the Tidelands portions of the Waterfront Project to the Developer for 66 years. Due to restrictions set forth on Tidelands property – 66 years is the maximum term for which those properties may be leased.
- Rent – Rent for the entire Waterfront Project is comprised of Minimum Rent and Percentage Rent.
 - Minimum Rent – Minimum Rent for the Waterfront Project is initially set at \$250,000 per year and would begin 24 months after lease commencement. 30 years after lease commencement, the Minimum Rent would increase to \$1,000,000 per year. The Minimum Rent would increase up to 10% every five years based on adjustments to the Consumer Price Index.
 - Percentage Rent – Percentage Rent is designed to allow the City to participate in the success of the Waterfront Project once the Developer achieves a predetermined return on their investment. The Percentage

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Rent is based on the Developer receiving a 9% annual return on their capitalized costs for the Waterfront Project. Once the Developer hits this return threshold, the City will receive 10% of the Net Operating Income in excess of the Developer's 9% Return. Financial modeling of the project by Kosmont Companies indicated that this lower return threshold for the Developer significantly increased the likelihood that the City would share in Participation Rent.

- Maintenance and Repair – The Developer is responsible for the all of the maintenance and repair of the Waterfront Project and is obligated to maintain the premises at a high quality standard equivalent to a Class A office and First-Class commercial operation. This includes all of the buildings and all of the exterior areas, including public plazas, promenades, parking structures, open spaces and the Seaside Lagoon.
- Additional Future Capital Investment - Over the term of the Tidelands and Upland Ground Leases, the Developer is obligated to invest additional capital into the project on a regular basis to ensure the Waterfront Project is maintained at a high level and that the mix of commercial uses remains economically viable and attractive to the public marketplace. Pursuant to the Leases, the Developer is obligated to spend a minimum of 1.5% of the gross revenues collected on future capital improvements. The Developer will provide the City with an annual report on how these funds were expended and every 25 years the City will conduct a full reconciliation and audit of these expenditures to ensure the full capital reinvestment has occurred. To the extent any funds remain unexpended, the Developer and City will prepare a plan for the use of those funds. It is important to note that the City expects that at some point during the life of the Project the Plaza Parking Structure will need to be substantially rehabilitated and/or replaced. The costs associated with this capital expense are in addition to the 1.5% for capital expenditures outlined above.
- Insurance and Damage to Property – The Ground Leases outline the various types and levels of insurance required to support Waterfront operation and the obligations of the Developer to repair damages that may occur to the project site. In general, the Developer is obligated to make repairs to the project consistent with the proceeds received for any casualty event (such as a fire). To the extent the project is damaged by an uninsured event or if the proceeds from the insurance claim are insufficient to fully restore the project, the Developer is obligated to provide an additional \$10M - \$15M (depending on the year the event were to occur) of capital repair to restore the site. If the damage exceeds this “shortfall” amount, the City has the opportunity to make up the difference or allow

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the Developer to clean-up the site, terminate the Leases and walk away from the property.

- Transfers – Transfers of ownership under the terms of the Ground Leases are generally evaluated as to whether they occur prior to Stabilization or after Stabilization has been achieved. Stabilization is defined as 75% tenant occupancy for 12 continuous months of Waterfront operation or 24 months from the Waterfront opening.

Prior to Stabilization, the leases allow for transfers for financing purposes at any time - so long as the transfers are solely limited to the composition of Redondo Beach Waterfront LLC and that CC Waterfront Associates LLC (the CenterCal Entity) retains a 50% controlling interest in the Project. If a transfer is proposed that is beyond these parameters, the City has sole and absolute discretion of transfer approval.

Once the project has achieved stabilization, Redondo Beach Waterfront LLC may transfer the Waterfront Project to another entity with the City's reasonable consent.

Concessionaire Agreement (for Seaside Lagoon)

As noted above, once the conditions set forth in the ALPIF have been satisfied, the City and the Developer may enter in the Uplands and Tidelands Ground Leases and the Seaside Lagoon Concessionaire Agreement. The Concessionaire Agreement is intended to give the Developer a contractual relationship with the City for those portions of the project that are currently within the boundaries of the Seaside Lagoon. The intent of the agreement is to allow the Developer to enhance the Lagoon's operation and public accessibility by removing the fences that surround the facility, providing year-round free use of the space, and opening the Lagoon to the Harbor waters thereby creating a protected beach for zero depth water entry and small craft hand launch. In addition, the Concessionaire Agreement allows the Developer to construct a series of beachside amenities to service the Lagoon, including four new commercial operations that would provide Lagoon related goods and services, and the refurbishment/reconstruction of the Lagoon's lanai structure for use as an events venue.

The ALPIF/Concessionaire Agreement include a Use and Operating Plan that has been reviewed by the City's Recreation and Parks Commission and the Harbor Commission. The Use and Operating Plan sets general operating parameters for the Lagoon and establishes the process by which Seaside Lagoon may be used for special events by both the City and the Concessionaire – much like it is today. More specifically, it requires the development of a Master Schedule each year that is available to the public

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and requires compliance with all City policies and procedures related to special events, including, with few exceptions, the preservation of public access for small craft hand launch.

The legal provisions of the Concessionaire Agreement largely track with the Uplands and Tidelands Ground Leases. The one notable exception is that the term of the Concessionaire Agreement is for 50-years rather than the 66 year Tidelands and 99 year Uplands lease documents.

Project Schedule

The ALPIF includes a Schedule of Performance that sets forth a series of outside dates by which certain activities related to the Waterfront Project must occur. The City and Developer expect that the project will be constructed in two phases – a North Phase that generally includes the areas north of Basin 3 including the Redondo Beach parking lot, various leaseholds including Captain Kidd’s and Ruby’s, the Sportfishing Pier and Seaside Lagoon; and a South Phase that generally includes Basin 3, the International Boardwalk, the Pier Parking Structure, and the Horseshoe Pier. Once the Ground Leases have been executed, the Developer has 120 days to initiate construction of the North Phase of the Project and three (3) years to complete the construction of those improvements. Similarly, once construction begins on the South Phase of the Project, the Developer has three (3) years to complete those improvements. The ALPIF sets a maximum time frame of ten (10) years by which the Ground Leases must be executed and all construction completed.

FISCAL IMPACT

Approval of the ALPIF and implementation of the waterfront project is expected to result in a significant fiscal benefit to the City. When evaluating the fiscal benefit – it is important to consider all of the following factors:

- Ground Rent (both base rent and percentage rent) from the Waterfront Development;
- Increased/new revenues to the City’s General Fund;
- The costs associated with the replacement of critical public infrastructure and the installation of new public waterfront amenities paid for by the developer; and
- Savings realized from a reduction of the City’s responsibilities for the ongoing maintenance, capital reinvestment, and operation of a significant portion of the Waterfront.

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Attached as Exhibit D is an Economic Analysis prepared by Kosmont Companies that was presented to the City Council on January 17, 2017 that provides a comprehensive overview of the financial projections associated with the Waterfront Project. The following provides an overview of some of the key elements.

Rent

The ALPIF, Leases and Concessionaire Agreement include two forms of rent payable to the City. These include:

- **Minimum Rent.** Minimum Rent beginning in Year 3 in the amount of \$250,000 per year through Year 30 of the project. After Year 30 the Minimum Rent increases to \$1M per year for the remainder of the lease.
- **CPI Adjustments.** Minimum Rent is adjusted for CPI increases up to 10% every 5 years.
- **Participation Rent.** The City will participate in the success of the project via Percentage Rent once the Developer achieves a 9% return on project costs. The City will receive 10% of the Net Operating Income in excess of the developer's return on costs.

General Fund Revenue

The most significant fiscal benefit from the Waterfront Project is the positive impact the Project will have on the City's General Fund. Increased General Fund revenues from the project include new sales taxes, property taxes, and transient occupancy taxes. As outlined in Exhibit D, over the life of the Project, General Fund Revenues are estimated to increase by \$269M to \$384M or approximately \$2.7M to \$3.9M per year. Beyond this direct benefit from the Project, businesses in the immediate area of the Waterfront will be positively impacted by the project through increased sales and higher hotel occupancy and room rates, and as a result, the City could expect to receive additional General Fund revenues from this "halo effect". These additional revenues push the positive impact to the General Fund to a range of \$315M to \$432M over the life of the project, or approximately \$3.2M to \$4.4M per year. It should be noted that these projections do not include increases in local residential property tax values that could result from the positive impact of the Waterfront Project and in particular, properties within walking distance to the site.

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Capital/Infrastructure Investment

Beyond the direct monetary impacts resulting from the proposed Waterfront Project, the City also benefits from the significant investment in the public infrastructure made by the Developer as part of the Waterfront Project. As shown below, if the City were to move forward on the Waterfront Revitalization without a development partner, the City's infrastructure obligation is estimated to be \$157M to \$183M. This estimate assumes the construction of public improvements that could support a limited development program and includes reconstruction of the buildings on Mole D, the Municipal Pier, buildings adjacent to the Municipal Pier, and a pad for a hotel built in conjunction with the replacement of the parking garage.

Infrastructure Improvements	No Project - Required City Investment	City Obligations in ALPIF	Developer Improvements
Municipal Pier (Piles & Deck)	\$6M	\$6M	\$0
Pier Parking	\$49M	\$0	\$49M
Basin 3 (Sea Wall & Docks)	\$7M	\$2M	\$5M
Pedestrian Bridge	\$0	\$0	\$7M
Boardwalk	\$6M	\$0	\$6M
Harbor Drive Extension	\$9 to \$15M	\$0	\$9 to \$15M
Sportfishing Pier (Piles & Deck)	\$6M	\$6M	\$0
Sea Level/Mole D	\$10M	\$0	\$10M
Utilities	\$4M	\$0	\$10M
Storm Drain	\$5M	\$0	\$5M
Sub-Total	\$102M to \$108M	\$14M	\$101 to \$107M
Building Maintenance	\$30-50M	\$0	*See Note
Enhanced Plaza/Open Space	\$0M	\$0	\$5M
Public Art	\$0M	\$0	\$2M
Boat Ramp	\$6M	\$6M	\$0
Seaside Lagoon	\$6M	\$0	\$6M
Plaza Parking Rehabilitation	\$13M	\$0	\$13M
Total Costs	\$157 to \$183M	\$20M	\$127 to \$133M*

Notes:
 *Complete building reconstruction is part of the Waterfront Project and is fully paid for by the Developer. These

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costs have not been included as part of the Developer's total as they far exceed the City's current maintenance obligations. Additionally, the parking structure to be constructed on Mole D has not been included in the cost estimates as it is required to serve the new commercial and office space to be developed in the North Phase of the Project.

If the City approves the ALPIF, the City would be responsible for the repairs and/or replacement of the Municipal Pier, repairs to the Basin 3 Seawalls, and the Sportfishing Pier - a total of approximately \$14M. In addition, as a condition of new development under the City's Local Coastal Plan ("LCP") the City is obligated to construct a public boat launch facility - which adds an additional \$6M in project costs - bringing the total City infrastructure contribution to approximately \$20M. The Developer would be responsible for all of the remaining base infrastructure improvements, which total between \$101M and \$107M. In addition, the Developer is responsible for the improvements to Seaside Lagoon and the full range of public amenities associated with the development of the project, including over 11 acres of open space. When those public amenities are added to the totals above, the City will benefit from between \$127M and \$133M of public infrastructure improvements and new amenities paid for by the developer as a result of the Waterfront Project.

Reduced Waterfront Maintenance and Operating Expenses

In addition to the City's pending capital repair/replacement obligations the City spends roughly \$3M each year maintaining the Waterfront. Approval of the ALPIF and execution of the Waterfront Project would eliminate approximately \$2M of ongoing annual future maintenance and operating expenditures.

City Strategy to Fund ALPIF Obligations

As noted above, the City has certain obligations contained within the ALPIF, with the most notable being the repair and replacement of certain public infrastructure improvements. In addition, the City is obligated to secure site control of those properties that comprise the Waterfront Project and to that end has already re-acquired three (3) Master Leaseholds (which currently requires debt service payments for approximately \$21M of outstanding principal), and has reached an agreement with the Redondo Fisherman's Cove Company (which will require additional principal) for the acquisition and termination of that leasehold. To satisfy the obligations under the ALPIF, the City will utilize three interrelated financial strategies:

- **Restructure Existing Debt** - To re-acquire the Pier Plaza, International Boardwalk and Redondo Beach Marina leaseholds, the City secured a loan and has been making debt service payments on that loan for approximately five years. The loan has favorable financing terms for the City and amortizes over a fifteen (15)

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year period with a balloon payment of approximately \$8.8M in 2027 for the outstanding loan balance(s). As part of the Waterfront Project, the City will restructure this loan to extend the amortization period to thirty (30) years and borrow the necessary additional principal to acquire the Redondo Fisherman's Cove Company leasehold. The debt service of the restructured loan will be paid from existing and new Uplands lease revenues. The annual debt service costs for the new loan are not expected to be much higher than what is paid by the Uplands Fund today for the current loan.

- Utilize Existing Fund Balances – As noted above, the City is obligated to make four key improvements/repairs/replacements of public infrastructure as part of the Waterfront project: (i) replace the Sportfishing Pier; (ii) construct a public boat launch facility; (iii) make repairs/improvements to the Basin 3 seawalls; and (iv) replace the wooden portion of the Municipal Pier. These improvements (totaling approximately \$18-20M) are expected to be funded with fund balances in the Harbor Tidelands and Uplands Funds, as applicable.
- Reallocation of Costs - Implementation of the Waterfront Project is anticipated to alter the relationship of the Harbor Enterprise Fund and the City's General Fund. Currently, various revenues accrue to the Harbor Enterprise, such as lease revenues and parking revenues, and those revenues are allocated to the Uplands and Tidelands Funds. Likewise, there are various City services and expenses associated with the operation of the Waterfront that are currently allocated to the Uplands and Tidelands Funds (i.e. Waterfront and Economic Development, Police, and Public Works Department personnel costs). If approved, as the Waterfront Project moves forward and properties that generate revenue for the Upland Fund are taken offline – General City service expenses allocated to the Uplands Fund will need to be reallocated to the City's General Fund, or when applicable and appropriate to the Tidelands Fund. Once the Waterfront Project opens for business, revenues will begin to flow to the General Fund and they will be more than sufficient to offset the reallocation of costs.

Fiscal Conclusion

The proposed Waterfront Project represents an unprecedented private sector investment of approximately \$400M in Redondo Beach over the next 5 to 10 years (when including Redondo Beach Waterfront LLC and commercial tenant contributions). As outlined above, this includes over \$100M in investment in the City's public infrastructure by the Developer that, among other things, will lead to the replacement of the Pier Parking structure and enhancement of the waterfront's public plazas and open spaces. In addition, the new retail, entertainment, hospitality, and recreation uses

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associated with the Waterfront are forecast to generate revenue that accrues to the City's General Fund through increased sales taxes, increased property taxes and new transient occupancy taxes. Finally, as noted above, the Ground Leases include provisions for the payment of both a fixed minimum rent and a percentage rent based on the performance of the Waterfront Project. The analyses prepared by Kosmont Companies indicates that the net cumulative cash flow to the City from the proposed development is projected to be in the range of \$324M-\$513M over the life of the Project.

Questions Related to the ALPIF

The following addresses some key questions brought forth during public testimony and by the City Council at the December 13, 2016 and the January 17, 2017 public hearings on the ALPIF. It is organized in a question and response format for ease of review.

A) What assurance does the City have that the Developer has the financial wherewithal to build the project?

The City has taken several steps to ensure the Developer has the financial capacity and can secure the necessary capital; for the construction of the project. First, as part of the developer selection process, the City's financial consultant, Kosmont Companies, reviewed the assets, development history and strength of the financial partners of each of the RFQ/RFP respondents. The result of that analysis was one of the criteria for the selection of CenterCal Properties as the City's development partner. Second, as a precursor to the City Council's consideration of the ALPIF, Kosmont Companies, conducted an updated due diligence effort on Redondo Beach Waterfront, LLC and determined that the entity has sufficient fiscal capacity, unencumbered resources and experience to undertake the development contemplated in the ALPIF. In addition, the due diligence indicated that the collective net equity position of the partners in the LLC well exceeds the total cost of development, and the review of the proposed leasing strategy and prospective tenants will appropriately position the project within the South Bay marketplace. If the ALPIF is approved by the City Council, a third round of due diligence will be performed by the City prior to the execution of the Ground Leases to once again confirm that the Developer has the financial capacity to undertake the development. Furthermore, Section 401 of the ALPIF requires the Developer to submit to the City both a Preliminary and Revised Financing Plan for the project. These plans will include:

- (i) a construction and development budget for the Developer Improvements;
- (ii) a description of the sources of construction financing for each component of the Developer Improvements, and the times such sources will become available;

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- (iii) an organizational chart identifying the entities comprising Developer and their roles; and
- (iv) construction financing commitments/loans (which the City must review and approve before lease commencement).

B) Once construction has begun on the project – what happens if the Developer decides to stop?

As set forth in Section 311 of the ALPIF, one of the conditions precedent to the execution of the Ground Leases is the Developer's obligation to provide surety bonds for the completion of construction of the project. This includes a Performance Bond and a Payment Bond for 100% of the cost of improvements under construction. In lieu of providing the Payment Bond and Performance Bond the Developer can provide any one or any combination of the following alternative forms of security:

- (i) a completion guaranty, in form and substance reasonably acceptable to City, made by an individual or entity with a sufficient net worth and liquidity, in the sole discretion of the City, to comply with the terms of such guaranty in view of the potential financial responsibility involved;
- (ii) a certificate of deposit, cash or United States governmental security;
- (iii) a letter of credit; or
- (iv) a set-aside letter from Developer's construction lender.

The security described in clauses (ii), (iii) and (iv) above shall be in an amount equal to one hundred percent (100%) of the construction costs and must be reviewed and accepted by the City before lease commencement. Typically for a Performance Bond/Payment Bond, the City and construction lender for the project would be named as insureds and once a notice of default has been issued to the Developer as a result of their failure to complete construction, and if they fail to cure the default, the appropriate party would seek to access to the construction security. In most cases it would be the lender that would look to step into the Developers shoes to complete construction, but the circumstance could arise where the City takes back possession of the property and accesses the security to complete construction.

C) What happens if the Developer does not make their lease payments to the City?

Section 24.1(c) of the Uplands Ground Leases (and similar provisions within both the Tidlands and Concessionaire Agreements) state that if the Developer fails to pay any rent that is due and payable to the City under the term of lease, then the Developer is in

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default and the City can initiate default proceedings that can include in the most extreme instance the City retaking control of the property.

D) Do the leases move revenue out of the Harbor Enterprise? What revenues are available for on-going maintenance in the Harbor?

As the Ground Leases are executed, existing leaseholds within the Harbor that currently generate/contribute revenue to the Harbor Fund will come under the control of the Developer and the City will no longer have access to that source of revenue. This will result in a decline in revenues to the Harbor Fund, and will be most pronounced in the Uplands Fund (the Harbor Enterprise is comprised of an Uplands and Tidelands Fund). Additionally the City will see a decline in Harbor maintenance and operation expenses as they will now be the responsibility of the Leaseholder. The City expects that over time, remaining Uplands Fund revenues and on-going expenses will be absorbed into the City's General Fund, and that the new General Fund revenues generated by the project will more than offset the reduction in Uplands lease revenue. It is important to note that the Harbor Enterprise will continue to exist and eventually will be comprised solely of the Tidelands Fund. The economic analysis prepared by Kosmont Companies and presented to the City Council on January 17, 2017, projects that the Tidelands Fund will continue to have a positive balance over the life of the project.

With regard to ongoing maintenance, the construction of the Waterfront Project will replace much of the aging infrastructure within the Harbor. In addition, the Developer has the obligation to maintain the development in a first class, class-one standard for the life of the project. This shifting of maintenance obligations will result in significant savings to the City. With regard to the remaining areas of the Waterfront, the Tidelands Fund will continue to exist and generate positive cash flow for on-going maintenance obligations.

E) What are the downside financial risks to the City from the Agreement with the Developer?

Staff and the Developer firmly believe that the project will be successful. There have been three separate and independent financial analyses conducted that support this conclusion and all have concluded that the City will see a significant increase in revenues from the development. The ALPIF includes minimum rent that must be paid by the developer, obligations to construct much needed infrastructure improvements, allocations for on-going capital investment, and a contractual commitment to maintain the property in a First-Class, Class A standard. That said every development is subject to market variables and risk. In the case of the Waterfront project, the most significant downside risk to the City is that the project does not perform well in the market place

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and consequently the City does not achieve the projected General Fund revenues from the project. This however is a much bigger risk to the developer than the City as it is the developer that will invest the hundreds of millions of dollars to construct the project, roughly \$130M of which is for public benefit.

F) Could the City enter into public-private partnerships to execute some or all of the necessary infrastructure improvements to the waterfront?

The fragmented development pattern and interrelated public amenities and infrastructure that exists in the Waterfront today would make it difficult to coordinate and execute the revitalization effort through a series of multiple projects. When the Harbor Asset Plan and the Harbor Business Plan were prepared and adopted by the City, one of the underlying strategies associated with the revitalization of the Waterfront was for the City to re-acquire Master Leases within the Harbor, aggregate them together, and offer them to the development community as a larger opportunity site. The efficiencies and economies of scale that come with a single development/partner allows the City to distribute the significant costs associated with the large public infrastructure improvements (such as the Pier Parking Structure) over a broader and more diverse development program.

G) Who is responsible for any environmental or hazardous material remediation that may need to occur on the project site?

The ALPIF sets forth the responsibilities of the City and Developer for environmental remediation in Section 208.3. There have been a series of environmental assessments of the project site over the years and the conclusion is that there are no significant contamination areas that need to be addressed. The developer has agreed to address any remediation that may need to occur as a result of the demolition of any hazardous materials found in the vertical improvements on the site, such as buildings. Additionally, the developer is responsible for all subterranean geo-technical work required to ensure the construction of proper building and property foundations. To the extent any underground sites are discovered that require environmental remediation prior to the completion of construction the responsibility lies with the City.

H) What is the process for use of Seaside Lagoon for Special Events? Can the Lagoon be closed completely?

Attachment 12 to the ALPIF includes a Use and Operating Plan that outlines the process by which the Seaside lagoon may be used for special events. The Plan was crafted to provide flexibility for the programming of events and gives the City full control over how many events can be held, use of the facility during peak periods, and how

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much of the Lagoon may be used for any particular event. All events must adhere to the City's Special Event process and must secure all necessary permits and approvals. The City and Concessionaire will jointly develop the Master Calendar of events for the Lagoon on an annual basis. The City retains the right to approve the Master Calendar solely with respect to any City Events and the number and timing of Concessionaire Events for which any public portions of the Lagoon are proposed for closure or which substantially impact public access to the water for the launching of small hand craft. Much like occurs today, the Lagoon can be completely closed for certain events (e.g., Lobster Festival, Super Bowl 10k); however, the City retains the discretion regarding such closures and will likely limit any full closure of the facility to events that are available to the general public.

I) What are the next steps for implementation of the project?

If the ALPIF is approved by the City Council, next steps include securing approvals from the regulatory agencies that have jurisdiction over various elements of the development. In the near term, the City will be working with the California Coastal Commission to support their work on the appeal of the Coastal Development Permit granted by the City and on the application for a permit for those portions of the project that lie within the Coastal Commission's original jurisdiction. In addition, work will begin the California State Lands Commission on a Tidelands Trust Exchange that is an element of the project approved by the City. A separate agenda item for actions that support those efforts will be before the City Council as part of the January 31, 2017 agenda.

COORDINATION

The Waterfront & Economic Development Department coordinated this report and the preparation of the Agreement for Lease of Property and Infrastructure Financing (ALPIF) with the City Attorney's Office, the City Manager's Office, the Community Development Department, the Community Services Department, and the Financial Services Department.

Submitted by:
*Stephen Proud, Waterfront and Economic
Development Director*

Approved for forwarding by:
Joe Hoefgen, City Manager

Attachment(s):

- Exhibit A – Resolution Approving an Agreement for Lease of Property and Infrastructure Financing Between the City of Redondo Beach and Redondo Beach Waterfront LLC

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- Exhibit B – December 13, 2016 Administrative Report to the City Council
- Exhibit C – January 17, 2017 Administrative Report to the City Council
- Exhibit D – Agreement for the Lease of Property and Infrastructure Financing (ALPIF)
- Exhibit E – Waterfront Economic Analysis Prepared by Kosmont Companies

EXHIBIT B

RESOLUTION NO. CC-1610-099

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DENYING AN APPEAL, SUSTAINING THE DECISION OF THE HARBOR COMMISSION, SELECTING THE STAFF RECOMMENDED ALTERNATIVE DESCRIBED IN THE FINAL EIR AND GRANTING THE REQUESTS FOR A CONDITIONAL USE PERMIT, HARBOR COMMISSION DESIGN REVIEW INCLUDING SIGN REVIEW AND LANDSCAPE/IRRIGATION PLANS, COASTAL DEVELOPMENT PERMIT, AND A VESTING TENTATIVE TRACT MAP NO. 74207 TO ALLOW THE CONSTRUCTION OF A COASTAL COMMERCIAL PROJECT TOTALING 523,939 SQUARE FEET OF DEVELOPMENT, ON PROPERTY LOCATED WITHIN THE COASTAL COMMERCIAL ZONE (CC-1, CC-2, AND CC-3) AND THE PARKS, RECREATION, AND OPEN SPACE ZONE (P-PRO) LOCATED BETWEEN PORTOFINO WAY AND TORRANCE CIRCLE.

WHEREAS, applications were filed by Redondo Beach Waterfront, LLC requesting approval of a Conditional Use Permit, Harbor Commission Design Review, Coastal Development Permit, and Vesting Tentative Tract Map No. 74207 to allow the construction of coastal commercial office, hotel, theater, retail, restaurant, and recreational uses totaling approximately 523,939 square feet of development in the Coastal Commercial Zone (CC-1, CC-2, and CC-3) and the Parks, Recreation, and Open Space Zone (P-PRO) ; and

WHEREAS, on April 20, 2016, the Recreational and Parks Commission conducted a public meeting in the City Hall Council Chambers, at 415 Diamond Street, Redondo Beach, California which provided its unanimous recommendation to approve the modifications to Seaside Lagoon (area within the P- PRO zone) described in the Draft EIR Chapter 2, Project Description, Section 2.4.1.2 for the Proposed Project and direct staff to convey this motion to the decision making body.

WHEREAS, the City of Redondo Beach Harbor Commission held a public workshop on May 9, 2016 which provided a project description, the key project goals and objectives, a comprehensive description of the project entitlement process, and the specific findings and criteria for approval; and

WHEREAS, a notice of the City of Redondo Beach Harbor Commission's ("Harbor Commission") public hearing was published in the Easy Reader, mailed City-wide, and posted throughout the Harbor on or before June 2, 2016; and

WHEREAS, the Harbor Commission reviewed and considered the applicant's design submittal, the Vesting Tentative Tract Map, the Zoning and General Plan

Consistency Tables, presentations from Staff and the applicant at the public hearing held on the 13th day of June, 2016. After accepting testimony from the public, the Harbor Commission moved to continue the public hearing to a special meeting on June 27, 2016; and

WHEREAS, the Harbor Commission reconvened the public hearing on June 27, 2016 and reviewed and considered the project applications, responses to feedback received at the June 13, 2016 public hearing, and the draft project entitlement conditions. After accepting testimony from the public, the Harbor Commission moved to continue the public hearing to a special meeting on July 18, 2016; and

WHEREAS, the Harbor Commission reconvened the public hearing on July 18, 2016 and reviewed and considered the Final Environmental Impact Report including Responses to Comments, the Mitigation Monitoring and Reporting Program, the Fact of Findings and Statement of Overriding Considerations, and all other final project documents. After accepting testimony from the public, the Harbor Commission moved to continue the public hearing to the regularly scheduled meeting on August 8, 2016; and

WHEREAS, the Harbor Commission reconvened the public hearing on August 8, 2016 and reviewed and considered all of the final project documents as well as additional clarifications in response to feedback received during the previous public hearings; and

WHEREAS, at its hearing of August 8, 2016 which concluded on August 9, 2016, the Harbor Commission certified the Final EIR, selected the Staff Recommended Alternative which included the boat launch facility at Mole B, and approved a Conditional Use Permit, Coastal Development Permit, Harbor Commission Design Review, and Vesting Tentative Tract Map; and

WHEREAS, an Appeal Form and letter was filed with the City Clerk's Office on August 22, 2016 from "James A. Light and others," and on August 24, 2016 the City sent an initial response which concluded that the filing of the Appeal on behalf of multiple parties was in violation of the City's CEQA Appeal procedures; and

WHEREAS, notice of the time and place of the public hearing where the appeal would be considered was given pursuant to State law and local ordinances by publication in the Easy Reader, a newspaper of general circulation in the City, by posting the boundaries of the subject property every 200 feet, and by mailing notices to property owners within 300 feet of the exterior boundaries of the subject property, occupants within 100 feet, and the appellant; and

WHEREAS, the City Council of the City of Redondo Beach held a public hearing to consider the appeal on the 18th day of October, 2016 at which time the City Council considered evidence presented by the applicant, the appellant, City staff, and the public.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DOES HEREBY FIND:

1. In accordance with Redondo Beach Municipal Code (RBMC) Sections 2-9.711, 10-2.2512, 10-2.2506(b), and 10-5.2506(b) of the Redondo Beach Municipal Code, a Conditional Use Permit is in accord with the criteria set forth therein for the reasons described below. The Findings provided in this resolution are also supported by information and analysis in the Draft EIR, the Final EIR, the MMRP, the CEQA Findings, the Statement of Overriding Considerations, and all of the Administrative Reports associated with the Waterfront Project.
 - a) The proposed Waterfront Project is conditionally permitted in the Coastal Commercial (CC-1, CC-2, and CC-3) Zone and the Parks, Recreation, and Open Space Zone (P-PRO), in which the site is located, and the site is adequate in size and shape to accommodate the uses including all setbacks, spaces, walks and fences, parking, loading, landscaping and other features, and the project is consistent with the requirements of Chapters 2 and 5, Title 10 of the Redondo Beach Municipal Code.
 - b) As substantiated in Final Environmental Impact Report (SCH# 2014061071 / FILE NO. 2014-04-EIR-001) and the Traffic Impact Study prepared by Fehr & Peers, the site has adequate access to public streets of adequate width to carry the kind and quantity of traffic generated by the Waterfront Project with the implementation of Mitigation Measures TRA-1 through TRA-6 in the adopted Mitigation Monitoring Program.
 - c) The proposed Waterfront Project will have no adverse effect on abutting property or the permitted use thereof, subject to the adopted Mitigation Monitoring Program and Conditions of Approval.
 - d) The proposed Waterfront Project conforms to all of the requirements of the Coastal Zoning Ordinance and the Coastal Land Use Plan, and is therefore, consistent with the Local Coastal Program.
 - e) The proposed Waterfront Project is consistent and in conformance with (1) the General Plan including the "CC Coastal Commercial" designation and the "P Public or Institutional" designation, (2) the Harbor/Civic Center Specific Plan, (3) and the Certified Coastal Land Use Plan.
 - f) The Mitigation Monitoring Program and Conditions of Approval adopted in this resolution are deemed necessary to protect the public health, safety, and general welfare.
 - g) The Waterfront Project is in compliance with the applicable development standards by zone, including allowable uses, height requirements, F.A.R. maximums, and other standards as outlined in the summary table labeled

as Attachment 4 to Administrative Report A presented at the June 13, 2016 Harbor Commission meeting.

- h) The proposed Waterfront Project qualifies for a floor area ratio FAR bonus as it provides office and hotel uses and it provides new high quality public open space within amenities such as enhanced and expanded public pathways, new landscaping, lighting, and features such as seating and children play equipment. Specifically:
 - a. In the CC-2 Zone, the project qualifies for a .15 FAR bonus because it includes a hotel above the ground floor of Building P per RBMC 10-5.813(a)(1)a, and it qualifies for an additional .15 FAR bonus because it includes the equivalent of 20% (approximately 47,632 square feet) of high quality open space per RBMC 10-5.813(a)(1)b. This allows for a total permissible FAR of .65. The Waterfront Project would, therefore, be consistent with this requirement as the Project would result in an FAR of .60 in the CC-2 zone.
 - b. in the CC-3 zone, the project qualifies for a .15 FAR bonus because it includes offices above the ground floors of Buildings A, B, and D per RBMC 10-5.814(a)(1)a, and it qualifies for an additional .15 FAR bonus because it includes the equivalent of 20% (approximately 157,102 square feet) of high quality open space per RBMC 10-5.814(a)(1)b. This allows for a total permissible FAR of .65. The Waterfront Project would, therefore, be consistent with this requirement as the Project would result in an FAR of .56 in the CC-3 zone.
 - i) That given the fact that it is not possible at this time to know the exact leasing plan for specific uses, and the fact that most of the future uses would require a Conditional Use Permit, it is expedient and desirable to grant an overall Master Conditional Use Permit to more uniformly establish overall operating conditions and allowances for uses within the scope of a Master Conditional Use Permit at this time.
2. In accordance with Municipal Code Sections 10-2.2512, 10-2.2502(b), 10-5.2512, and 10-5.2502(b), 10-2.1802, 10-5.1802, and 10-5.1900 of the Redondo Beach Municipal Code, the applicant's request for Harbor Commission Design Review is consistent with the criteria set forth therein for the following reasons:
- a) The design of the proposed Waterfront Project considers the impact and needs of the user in respect to circulation, parking, traffic, utilities, public services, noise and odor, privacy, private and common open spaces, trash collection, security and crime deterrence, energy consumption, physical barriers, and other design concerns.

- b) The natural terrain was removed from the project site more than 60 years ago when the first development took place. Therefore, there is no natural terrain or natural landscape features that can be integrated into the project. Furthermore, it would not be feasible to preserve the existing landscaping because the existing landscaping is not draught tolerant and would not conform to the City's landscaping regulations for new development.
 - c) The final design of the proposed Waterfront Project is harmonious and consistent within the proposed architectural style regarding roofing, materials, windows, doors, openings, textures, colors, and exterior treatment subject to the conditions of approval.
 - d) The surrounding built environment includes a wide variety of structures in terms of architecture, design style, building height, mass, bulk and scale, such that the architecture, design style, building height, mass, bulk and scale of proposed Waterfront Project is consistent within the existing framework.
 - e) The design of the proposed Waterfront Project provides innovation, variety, and creativity in the proposed design solution and serves to minimize the appearance of flat facades and box-like construction subject to the conditions of approval.
 - f) The conceptual signage proposed on the exterior elevations would be consistent with sign regulation criteria in RBMC Sections 10-5.1802 and 10-5.1810.
 - g) The use of specific design elements, such as decorative parapets or towers are permitted to exceed the maximum building height restriction because they do not contain habitable floor area and are deemed as being design elements that are integral to the overall architectural style of the project and that other structures such parapets, towers, signage, flagpoles, and columns, and mechanical equipment are also permitted to exceed the building height restriction because they are necessary to the overall functioning of the project and will in some cases, such as in the case of the solar panels, contribute to make the project more environmentally sustainable. (RBMC Sections 10-2.1522(b) and 10-5.1522(b).)
3. In accordance with Section 10-5.2218 (c) of the Redondo Beach Municipal Code the applicant's request for a Coastal Development Permit is consistent with the criteria set forth therein for the following reasons set forth below and as detailed in the Coastal Development Permit Findings Attachment to this Resolution:

- a) That the Waterfront Project is in conformity with the Certified Local Coastal Program because it will preserve and enhance public views of the water/marina and increase the on-site public-serving amenities by providing the following: public accessibility from Harbor Drive and the new Pacific Avenue reconnection through to the water's edge/marina; a new public promenade with additional resting and viewing opportunities; bicycles racks at numerous locations on the site; landscaping that will create a new aesthetic on the property; and custom designed lighting that will add ambience to the area and make it useable during the evening hours. Most importantly, the proposed project provides new visitor-serving and local-serving hotel, retail, theater, office, restaurant and event space that is strongly encouraged in the Coastal Land Use Plan. As also outlined in the findings above for the Design Review and the Conditional Use Permit, the Project would be consistent with the FAR, height limits, and permissible uses laid out in in the Coastal Zoning for the CC-1, CC-2, and CC-3 zones.
 - b) That the proposed Waterfront Project will also improve the quality of the storm water runoff and reduce the pollution that may contribute to adverse impacts on recreational access to beaches, coastal resources or coastal waters through the incorporation of all the Best Management Practices (BMPs) required in the Low Impact Development (LID).
 - c) That the proposed Waterfront Project, which is located between the sea and the first public road paralleling the sea, is in conformity with the public access and public recreation policies of Chapter 3 of Division 20 of the Public Resources Code. As outlined in greater detail in the Environmental Impact Report and the associated Fehr and Peers Traffic Report, public access to the waterfront and the associated esplanade would be maintained throughout the site. The project would also widen the existing public esplanade and provide bicycle related amenities and pathways.
 - d) That the decision-making body has complied with any CEQA responsibilities it may have in connection with the project and in approving the proposed development, the decision-making body is not violating any CEQA prohibition that may exist on approval of projects for which there is a less environmentally damaging alternative or a feasible mitigation measure available. The project has been evaluated for environmental impacts through the preparation of an Initial Environmental Study and an Environmental Impact Report which details all of the required feasible mitigation measures and conditions that shall be incorporated into the project.
4. The Vesting Tentative Tract Map No. 74207 meets the requirements of Chapter 1, Subdivisions, Article 5 of the City's Municipal Code, and the California State Subdivision Map Act. The City further finds that the Staff Recommended

Alternative is consistent with the City's General Plan and Local Coastal Program, as outlined in the Draft EIR (including but not limited to Section 3.9), the Final EIR, and the City's Administrative Reports for the Waterfront Project. As outlined in the Initial Study (Section XIII), the Draft EIR, and the Final EIR (Response AL001-13), the City has also considered housing needs. The Vesting Tentative Tract Map No. 74207 is consistent with the criteria set forth therein for the following reasons:

- a. That Vesting Tentative Tract Map No. 74207 filed and deemed complete on June 23, 2016 is in conformance with Section 10-1.102 (Purpose and intent) of the Redondo Beach Municipal Code which establishes the rules, regulations, and specifications to control and regulate the division of an land, building, or air space for any purpose whatsoever within the City.
- b. That in accordance with Section 10-1.103 (General responsibilities: Subdividers) of the Redondo Beach Municipal Code, the Subdivider has prepared a map consistent with the design standards and has assured the accomplishment of improvements consistent with the subdivision section of the Redondo Beach Municipal Code.
- c. That in accordance with Section 10-1.105 (General responsibilities: City Engineer) of the Redondo Beach Municipal Code the City Engineer has reported to the Harbor Commission and City Council that the proposed improvements are consistent with the regulations set forth in this chapter relating to technical engineering requirements and improvements to the public right-of-way.
- d. That in approving the Vesting Tentative Tract Map the City Council has investigated and concludes that the design and improvement of the proposed subdivision is in conformance with the General Plan and the requirements of the Subdivision section of the Redondo Beach Municipal Code and hereby reports its actions to the subdivider pursuant to Section 10-1.106 of the Redondo Beach Municipal Code.
- e. That pursuant to Sections 10-1.514 and 10-1.5508 of the Redondo Beach Municipal Code the approval of the Vesting Tentative Tract Map shall expire thirty-six (36) months after the date the map was approved or conditionally approved. The person filing the tentative map may request an extension of the tentative map or vesting tentative map approval or conditional approval by a written application to the Harbor Commission, such application to be filed at least thirty (30) days before the approval or conditional approval is due to expire. The application shall state the reasons for requesting the extension.
- f. That the approval of the Vesting Tentative Tract Map granted herein shall confer a vested right to proceed with development in substantial

compliance with the ordinances, policies, and standards described in Section 66474.2 of the Government Code of the State. However, if said Section 66474.2 is repealed, the approval or conditional approval of a vesting tentative map shall confer a vested right to proceed with development in substantial compliance with the ordinances, policies, and standards in effect at the time the vesting tentative map is approved or conditionally approved.

- g. That the street and lot layout is appropriate to the commercial land use for which the subdivision is proposed and conforms to the proposed land use and standards established in the General Plan and Zoning Ordinance. The subdivider has demonstrated to the satisfaction of the City Council that the street, parcel, and block pattern proposed is specifically adapted to the uses anticipated and takes into account other uses in the vicinity. The City Council finds that: The following principles and standards are met by this subdivision:
- (a) The proposed parcels or lots are suitable in area and dimensions to the types of development anticipated.
 - (b) The street rights-of-ways and pavement are adequate to accommodate the type of volume of traffic anticipated to be generated thereon.
 - (c) That special requirements may be imposed by the City with respect to street, curb, gutter, and sidewalk design and construction.
 - (d) That special requirements may be imposed by the City with respect to the installation of public utilities, including water, sewer, and storm water drainage.
 - (e) That every effort has been made to protect adjacent residential areas from the potential nuisance of proposed uses including the provision of extra depth and building setback lines in parcels backing up on existing or potential residential developments and provisions for a permanently landscaped buffer strip when necessary.
 - (f) That streets carrying nonresidential traffic including truck traffic are appropriately extended and connected and do not interconnect to existing streets intended for predominantly residential traffic.
 - (g) That the subdivision for proposed commercial development takes into account all areas proposed for vehicular circulation and parking, for pedestrian circulation, and for buffer strips and other landscaping.
5. That the RBMC Sections 10-5.812, 10-5.813(a), 10-5.814(a), 10-5.815(a), 10-5.816(a), state that "cumulative development in all CC coastal commercial zones shall not exceed a net increase of 400,000 square feet of floor area based on existing land use on April 22, 2008." The Waterfront Project would provide an additional 285,855 square feet of net new construction in the CC zones and in conjunction with 34,309 square feet of net new construction for the Shade Hotel and 2,702 square feet of net new construction for the Harbor Patrol building, the

total net new development within the CC zones since April 22, 2008 would be 322,866 square feet. After buildout of the Staff Recommended Alternative, 77,134 square feet of remaining net new development would be allowed within the CC zones. The City Council hereby finds that the Waterfront Project is within the 400,000 square foot maximum development cap. These findings are not intended to limit development (in the event that these municipal code/coastal zoning ordinance sections are revised), but rather to catalogue increases in gross floor area that fall under these municipal code sections. The City Council further finds, consistent with the May 23, 2016 Record of Interpretation included with the Final EIR, that these RBMC regulations do not consider parking facilities and utilize the definition of gross floor area.

6. The plans, specifications and drawings submitted with the applications associated with the Staff Recommended Alternative described in the Final EIR and the selection of Mole B for the boat launch facilities have been reviewed by the City Council and are approved. Project materials were made available for review at City Hall, on the City website, and were included as attachments to the Administrative Reports presented to the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council does hereby find that the above recitals and findings are true and correct and are incorporated herein by reference as if set forth in full.

Section 2. That based on the above findings, the City Council does hereby deny the appeal in its entirety and affirm the decision of the Harbor Commission in selecting the Staff Recommended Alternative described in the Waterfront Final EIR Chapter 1, and grants and approves the Master Conditional Use Permit, the Harbor Commission Design Review, the Coastal Development Permit, and the Vesting Tentative Tract Map pursuant to the plans and applications considered by the City Council at its meeting on the 18th day of October, 2016. These entitlements shall be held by both the City and the applicant, Redondo Beach Waterfront, LLC. The City Council further confirms the selection of the boat launch facilities at Mole B.

Section 3. That the approved Coastal Development Permit, Conditional Use Permit, Harbor Commission Design Review, and Vesting Tentative Tract Map shall become null and void if not vested within 36 months from the effective date of this resolution, unless an extension is granted pursuant to law.

Section 4. These permits shall be void in the event that the applicant does not comply with the adopted Mitigation Monitoring Program adopted concurrently in the associated CEQA resolution, or the following conditions:

1. That the City Council hereby approves the architectural design of the Waterfront Project. The precise architectural treatment of building exteriors, roofs, walks,

walls, landscape, hardscape, lighting and other features shall be reviewed and approved by the Community Development Department prior to the issuance of building permits.

2. That the façades of all buildings shall incorporate significant façade articulation and varied surfaces to avoid the appearance of solid/continuous/unbroken smooth/reflective walls. Street trees and other landscaping shall also be provided between the buildings and the roadway to absorb/disperse roadway noise.
3. That in order to maintain continuous visual interest, activity and energy along the street edge, the east elevation of the northern parking structure between the proposed street-facing retail shall be architecturally enhanced through the incorporation of additional high quality architectural features including, but not limited to recesses, projections, materials changes and other design enhancements. The area at the pedestrian level shall also be activated through the incorporation of additional pedestrian-oriented features such as bicycle racks, public benches, public art and similar enhancements. The revised elevation provided as an attachment to the July 18, 2016 Harbor Commission Administrative Report is hereby included as part of the design submittal and is, therefore an integral part of the approved project.
4. That the revised rendering of the Pacific Avenue Reconnection (Harbor Drive Extension) presented by the applicant on June 27, 2016 to the Harbor Commission is hereby included as part of the design submittal and is, therefore, an integral part of the approved project.
5. Projections may be allowed above the permitted height limit of the zone in which it is located, provided that the structure contains no habitable floor area and shall meet the following criteria: 1) Mechanical equipment and housing, including screening, may exceed the height limit by no more than four feet; 2) Chimneys may exceed the height limit only to the extent necessary to comply with Building and Fire codes; 3) Television and radio whip antennae may exceed the height limits by no more than ten feet; 4) Church steeples and bell towers may exceed the height limit by no more than fifteen feet, 5) Flagpoles may exceed the height limit by no more than ten feet; and 6) Architectural design elements integral to the overall design character of a building and intended to distinguish its design shall be permitted provided that the design element does not significantly increase the mass or bulk of the building.
6. That the applicant shall submit complete signage and wayfinding plans for review by the Harbor Commission. Said plans shall provide for high-quality, creative and artistic sign installations that avoid visual clutter and unnecessary repetition. Signs shall be architecturally compatible with the facades upon which they are proposed. The sign plans shall provide for unique signs that add character, whimsy and artistic charm. This may include projecting signs, awning and canopy signs, sculptural signs, neon signs, integrated roof signs and other signs that are

determined to enhance the visual quality and character of the project. It is the specific intent and authorization that these types of signs be included in the project. The signage and wayfinding plans are to be implemented by the Waterfront & Economic Development and Community Development Departments.

7. That the use of valet parking within the project is hereby authorized by the City Council. Any business requesting to utilize valet parking shall submit a valet parking plan to the City and said plan shall be reviewed and approved by the Community Development and Public Works Departments prior to implementation of valet parking operations.
8. That complete landscape, hardscape and irrigation plans (pursuant to the requirements of the Assembly Bill 1881, the Water Conservation in Landscaping Act of 2006) shall be submitted for review and approval by the Community Development Department prior to installation. Said plans shall incorporate extensive use of California native, drought-tolerant and water-wise plant materials and tree plantings.
9. That a final lighting plan in substantial conformance with the approved conceptual lighting plan shall be prepared and submitted to the Community Development Department. The plan shall include all information, details and calculations necessary to determine if the proposed installation will achieve the necessary and appropriate levels of illumination for safety and security and aesthetic and architectural enhancement while shielding and protecting off-site properties from unnecessary and unintentional illumination. Said plan shall be reviewed and approved by the Community Development Department, Police Department and Public Works Department prior to the issuance of electrical permits.
10. That pursuant to the City's Public Art Ordinance, the applicant shall provide a zoning requirement contribution equivalent to one percent (1%) of the building valuation above \$250,000. This contribution can take the form of: 1) installation of public art on the subject property, commissioned by the developer, but subject to the approval of the City's Public Art Commission; 2) a request that the installation of public art on the subject property be commissioned and approved by the Public Art Commission; 3) an installation of public art on the subject property valued at less than the required 1% contribution and an election to provide the balance of the 1% for the public art zoning requirement contribution to the John Parsons Public Art Fund; or 4) payment of the zoning requirement fee to The John Parsons Public Art Fund to be used for future public art in public places as determined by the Public Art Commission based on the City's Public Art Master Program. If a decision regarding the public art contribution is not finalized prior to the issuance of building permits, the applicant will be required to deposit the 1% zoning requirement fee in a set aside account. The monetary deposit will be held by the City until such time as the public art contribution is

satisfied. The art contribution must be completed prior to the issuance of a Certificate of Occupancy.

11. That in order to ensure compliance with all water quality regulations, the construction drawings for the project shall be prepared in accordance with all standards, requirements and design features of the approved Low Impact Development (LID) prepared for the subject site. The initial installation requirements and ongoing operational maintenance requirements of said plan shall be implemented in accordance with the approved LID.
12. That the project shall incorporate electric vehicle charging stations, short and long term bicycle parking, the use of low-emitting materials, the diversion of construction waste from landfills, and the use of Best Management Practices to prevent storm water pollution.
13. That final exterior color and material samples, including the use of marine-grade finishes when feasible, shall be reviewed and approved by the Community Development Department prior to the issuance of Building Permits.
14. That roof mounted mechanical equipment and appurtenances to be used in the operation or maintenance of a building shall be installed so as not to be visible from any point at or below the roof level of the subject building. The features so regulated shall in all cases be either enclosed by outer building walls or parapets, or grouped and screened in a manner architecturally compatible with the building.
15. That Traffic Management and Safety Plans shall be reviewed and approved by the Public Works Department prior to commencement of any work within the public right-of-way. Provisions of said plans shall be implemented at all times during construction.
16. That the applicant shall provide a Security/Crime Prevention Program Plan for the proposed project. The plans, specifications and other related documents shall be reviewed and approved by the Community Development Department and the Police and Fire Departments. The plan shall be completed prior to the issuance of Building Permits. Inspections by the appropriate Staff members shall be made to ensure compliance with the approved plan prior to the issuance of a Certificate of Occupancy and the plan shall be implemented throughout operation of the project. The plan shall incorporate the following:
 - (a) Provide Security Plans and design specifications that show the location of visual camera systems for key areas to which access is granted to the public.
 - (b) Provide specifications and/or security plans that provide the police with visual access to the interior of all commercial tenant spaces.

- (c) Provide details on emergency access to the property by police and fire responders in the event of an emergency including a numerical address system and an "on-site" map.
 - (d) Provide a garage lighting plan along with design specifications that include lighting of the garage stair wells, ramps and all access roads. The plan shall ensure that the lighting does not encroach on the adjacent residential properties to the east.
 - (e) Provide a painting scheme for the garage areas that employs the use of light and highly reflective color to enhance visibility and improve lighting effectiveness.
 - (f) Provide plans for the installation of a "repeater" system, if necessary, allowing the use of personal cell phones on all levels of the parking garage.
 - (g) The applicant/property owner shall ensure that the visual security equipment be monitored as necessary during business hours and that regular daily patrols of the subject property be made by security personnel.
17. That the Final Vesting Tract Map shall be recorded within 36-months of the effective date of this resolution, unless an extension is granted pursuant to law.
18. That the Final Vesting Tract Map shall be prepared, signed and sealed by or under the direction of a registered civil engineer or a licensed land surveyor, per Subdivision Map Act. The Vesting Tentative Tract Map shall meet the following conditions:
- (a) The Map title shall include the following: Vesting Tentative Tract Map No. 74207, In the City of Redondo Beach - County of Los Angeles - State of California, Redondo Beach Waterfront, For Commercial Subdivision Purposes;
 - (b) The Map shall include a sufficient legal description as well as all the relevant and applicable APNs to clearly identify the boundary (property limits) of the proposed subdivision;
 - (c) The Map shall include a vicinity map showing streets, adjoining subdivisions, piers, launching and other facilities, sufficient to locate the proposed subdivision and show its relation to the community;
 - (d) The Map shall include project information including names, addresses and other pertinent information such as: project name, property address and owner; project developer and engineer/surveyor; existing and proposed zoning and land use; and a table listing all proposed lot numbers and corresponding square foot areas;
 - (e) The Map shall include date, north arrow, scale, key map, legend, plan/sheet index; and utility easement and encumbrance notes. The

legend shall provide for a clear distinction between the Property Limits, Boundary and Lot Lines - among others;

- (f) The Map sheet size shall be 24"x36" with an appropriate scale (e.g. 1"=50') and in sufficient number of sheets to clearly depict the entire subdivision, with and without existing topography, all lettering shall be one-eighth inch minimum;
- (g) The Map shall clearly show the layout and dimensions of all the proposed lots, and building locations on each lot. Engineering data shall show the approximate finished grade of each lot;
- (h) The Map shall clearly identify and call out the Mean High Tide Line (MHTL) of Nov. 1935, its relationship to adjoining lots and call out the proposed bridge.
- (i) The Map shall show all major project utilities including, but not limited to proposed sanitary sewers, water mains and storm drains on the Map, with specific attention to the County Health Department's utility separation requirements;
- (j) The type, size and location of all proposed utilities required for the project shall meet the City and/or the utility owner/operator's requirements. No over-head utility lines shall be allowed within the project site or the peripheral streets;
- (k) The applicant shall prepare and submit a project-wide hydrology study report and SUSMP (LID) report for the City's review and approval prior to the Map approval;
- (l) Prepare and submit a project-wide sanitary sewer study report, and a preliminary design for replacement of the two existing sewer pump stations to identify the location and footprint of the new pump stations;
- (m) Add a utility easement note on the Map title sheet to state the following: Easements for all required wet utilities such as sanitary sewer lines (and pump stations), water mains, and storm drains; dry utilities such as gas, electrical, telephone, cables; and other utility lines including structures and appurtenances shall be reserved in favor of the utility owner/operator's requirements, and delineated based upon the final project design and the City-approved plans;
- (n) The type, location, widths and purpose of all existing and proposed easements with appropriate references to those on the Commitment No. NCS-612436-SA1 issued by the First American Title Company, updated on April 29, 2016, shall be shown on the Map;
- (o) A list of all encumbrances shall be included on the Map and the disposition of all existing utilities shall be identified – whether to remain or be abandoned;
- (p) An encumbrance note to be shown on the Map title sheet referencing the Commitment No. NCS-612436-SA1 and the Map sheets with above noted encumbrances;

- (q) Existing topography of the project site shall be in sufficient detail and include elevations showing relationship to neighboring lots, structure and facilities;
 - (r) The location, type, and outline of existing and proposed building and structures shall be identified on the Map as well as buildings or structures to be removed;
 - (s) The location, pavement type, grade and right-of-way width (including roadway, sidewalk and parkway) as well as all existing infrastructure to be abandoned shall be clearly identified on the Map;
 - (t) Identify whether any parts of the proposed roadways, walks, etc. within the project limits shall be held as public right-of-way, or designated as being private with appropriate public access rights or easements;
 - (u) Proposed improvements to be shown shall include, but not be limited to the location, grade, centerline radius and arc length of curves, radius of all curb returns; and the name of all streets, walkways and bike-paths (including Class);
 - (v) Provide typical cross-sections for all proposed streets, walkways and bike-paths at appropriate locations and in sufficient number where there are changes in proposed width or alignment;
 - (w) Show and note the approximate location of all project areas that may be subject to inundation or storm water overflows, if any, and incorporate appropriate mitigation measures;
 - (x) Identify proposed common and/or recreation areas, walkways, bike-paths (including class) and parks, and whether these areas designated for private or public use; and,
 - (y) Specify the source and date of existing survey and contours.
19. That prior to the issuance of Final certificate of occupancy, or prior to the recordation of the Final Vesting Tract Map, whichever occurs first, public access rights shall be reserved over all public areas providing access to, from, and along the waterfront. Access to public areas shall be open for pass through traffic 24 hours a day, seven (7) days a week. A public access map defining the public areas shall be submitted for review and approval by the Community Development Department and the Waterfront and Economic Development Department. It is the intent of this condition to maximize public access to and along the water. Any restrictions on the hours, modes of travel allowed, or other prohibitions shall be reviewed and approved by the Community Development Department and the Waterfront and Economic Development Department. Temporary restrictions or limitations for special events, emergencies, construction or other similar activities may be approved by the City Manager or designee.
20. High Quality Public Open Space, including the Pedestrian Promenade, shall be constructed, furnished, landscaped, and lighted per the approved final plans. Any

significant deviation from the plans shall be referred to the Harbor Commission for review.

21. An arborist shall assess all existing trees and document if any can be relocated and/or replanted. The applicant shall relocate existing trees that are identified as in good health, salvageable, and appropriate for public spaces as determined by the City Arborist.
22. The "Ocean Steps" mosaics are to be salvaged prior to demolition, if feasible; if not feasible they shall be replaced. The applicant shall work with the Public Arts Commission to establish a new location for the salvaged or new replacement mosaics in or around the Waterfront Project site. If replacement mosaics are necessary, the applicant shall solicit a proposal from the Ocean Steps artists to create the new installation. The George Freeth bust and the Meistrell statue shall be relocated. The pier sail structures shall be refurbished or replaced.
23. The applicant shall prepare a temporary access plan for access to public areas, i.e. Monstad and Horseshoe Piers, and businesses that are intended to remain open during construction, i.e. Kincaid's. This plan shall be submitted for review and approval by the Community Development Department and the Waterfront and Economic Development Department.
24. All dumpsters for commercial use shall be covered/screened from public view. Trash facilities shall generally be co-located with loading and service areas. This condition shall not limit individual climate-controlled interior trash collection facilities.
25. That the applicant shall comply with, complete and implement the following mitigation measures and the associated procedures as specified in the Mitigation Monitoring and Reporting Program (MMRP):
 - a. **MM AQ-1: Fleet Modernization for Construction Equipment:** Prior to issuance of any Grading Permit, the City Engineer and the Chief Building Official shall confirm that the Grading Plan, Building Plans, and specifications stipulate that the construction contractor shall ensure that all off-road equipment with a horsepower greater than 50 horsepower (HP) be required to have USEPA certified Tier 4 interim engines or engines that are certified to meet or exceed the NOx emission ratings for USEPA Tier 4 engines. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 4 diesel emissions control strategy for a similarly sized engine, as defined by CARB regulations. During construction, the construction contractor shall maintain a list of all operating equipment in use on the project site for verification by the City's Building and Safety Division. The construction equipment list shall state the makes, models, and numbers of construction equipment on-site. Equipment shall be properly serviced and maintained in accordance with the

manufacturer's recommendations. Construction contractors shall also ensure that all nonessential idling of construction equipment is restricted to five minutes or less in compliance with California Air Resources Board's Rule 2449. These activities shall be verified by the Building and Safety Division during construction.

- b. **MM AQ-2: Use of Low-VOC Coatings and Paints:** Prior to issuance of any Grading Permit, the City Engineer and the Chief Building Official shall confirm that the construction plans and specifications stipulate that all architectural coatings shall meet a volatile organic compound (VOC) content of 50 grams per liter (g/L) or less for interior coating and 100 g/L or less for exterior coatings. Use of low-VOC paints shall be verified by the Building and Safety Division during construction. However, if the project is phased such that less square footage is coated on a daily basis, then coatings with higher VOC levels may be used over a longer period of time such that the combination of daily square footage coated and VOC content does not exceed South Coast Air Quality Management District's regional threshold for ROG during construction of 75 pounds per day when combined with other on-site activities occurring on the same day.
- c. **MM BIO-1: Protection of Marine Mammals During Construction:** Pile-driving could result in Level B harassment that leads to avoidance behavior by marine mammals. Therefore, a Level B (harassment) safety zone shall be established around the pile-driving site and monitored for marine mammals as shown in Table MM BIO-1 below. The Level B radius is based on the estimated safe distance for installation of piles proposed for use in the project and is adequate to ensure that pinnipeds would not be exposed to Level B harassment sound levels. The safety zone varies by pile size and hammer type. Because the noise levels anticipated under this analysis are based on measured values from multiple different projects, the protective buffer has been increased by 20 percent to address inherent variability. The buffers are to be applied using direct straight line exposure thus barriers that create an acoustic shadow (e.g., a jetty or breakwater) separating the noise generation from mammal receptors would eliminate the buffer requirement. The pile-driving site will move with each new pile; therefore, the safety zones shall move accordingly. Prior to commencement of pile-driving, a qualified marine mammal observer¹ on shore or by boat shall survey the safety zone to ensure that no marine mammals are seen within the safety zone before pile-driving of a pile segment begins. If a marine mammal is observed within the safety zone during pile-driving operations, pile driving shall be delayed until the marine mammal moves out of the safety zone. If a marine mammal remains within the zone for at least 15 minutes before pile-driving commences then pile-driving may commence with a "soft start" to warn mobile aquatic species to leave the area.

Table MM BIO-1: Pile Driving Safety Zone Buffer By Pile Type and Pile Driving Method

Project Element Pile Type	Pile Driving Methods	Level B (160 dBRMS) Distance (meters)	Level B Buffer (160 dBRMS) Distance (meters) + 20 Percent
Horseshoe Pier: 18-inch steel piles	Vibratory hammer	>12 and <16	63 ft (19 m)
Pedestrian/Bicycle Bridge: 14-18-inch steel piles	Vibratory hammer	>3 and <16	63 ft (19 m)
Sportfishing Pier: 11-14-inch wood or concrete piles	Impact hammer	10 meters	39 ft (12 m)
Small Craft Boat Launch Ramp: >18-inch concrete pile	Impact hammer	>14 meters	55 ft (17 m)
Marina Reconstruction: 16-inch concrete pile	Impact hammer	13-18 meters	71 ft (22 m)

dBRMS - decibels Root Mean Square
ft - feet
m - meters

If marine mammals enter the safety zone after pile driving of a segment has begun, pile driving will continue. The qualified marine mammal observer shall monitor and record the species and number of individuals observed, and make note of their behavior patterns. If the animal appears distressed, and if it is operationally safe to do so, pile-driving shall cease until the animal leaves the area. Prior to the initiation of each new pile-driving episode, the area will again be thoroughly surveyed by the qualified marine mammal observer. ¹ A qualified marine mammal observer must meet the professional expectations laid out in the Marine Mammal Observer Associations website: <http://www.mmo-association.org/about-mmos>, or equivalent, as applicable.

- d. **MM BIO-2: California Grunion:** Horseshoe Pier construction that could disturb the sandy beach under the pier structure shall be scheduled outside of the grunion spawning season (March to August), unless the applicant fulfills the following procedures: If construction overlaps the grunion spawning season, grunion monitoring shall be conducted prior to any sandy beach-disturbing activity (check California Department of Fish and Wildlife [CDFW] website for spawning events as spawning events occur bi-weekly). If no grunion are observed, construction may proceed. If spawning occurs within the work area and is of a Walker Scale 2 or higher, work shall not be performed if it would disrupt the high spawning beach used by grunion. Work shall be deferred until after the next spring tide series when eggs would be expected to hatch and larval fish would return to the water. However, construction can continue where work would not overlap with grunion spawning locations. ¹ The Walker Scale for assessment of California Grunion (*Leuresthes tenuis*) spawning runs, developed by K. Martin, M. Schaadt and S. Lawrenz-Miller, is named for Boyd Walker, whose pioneering research provided the scientific basis for understanding the periodicity of *L. tenuis* spawning runs in California. Scale increases exponentially with greater numbers of fish, greater area involved, and increased duration of the run. ² The Qualified Biological Monitor should have a minimum of a Bachelor of Science Degree or Bachelor of Arts Degree in biology or related environmental science, having a demonstrated familiarity with the natural history, habitat requirements and affinities, and identification of the species of

concern at the site, demonstrated familiarity with the laws and regulations governing the protection of the species, and 2 years of construction and/or operations effects monitoring experience.

- e. **MM BIO-3: Mitigation for Increase in Surface Coverage:** The applicant shall be required to obtain all required permits from appropriate federal and state agencies for in-water work such as a Clean Water Act Section 404 permit, Section 401 Water Quality Certification and/or Rivers and Harbors Act Section 10 permit. Prior to issuance of construction permits for the in-water elements of the proposed project, the applicant shall demonstrate that permits have been obtained and significant impacts related to any net increase in surface coverage of harbor waters that would occur as a result of the proposed project would be mitigated to less than significant through avoidance, impact minimization, and/or compensatory mitigation. Subject to agency coordination and permit requirements, compensatory mitigation may consist of (a) the establishment of an equivalent amount of new open water surface area within King Harbor through the opening of Seaside Lagoon to harbor waters; (b) other marine resource restoration, establishment, enhancement, and/or preservation activity within King Harbor or elsewhere in Santa Monica Bay; (c) obtaining credits from a mitigation bank within the Santa Monica Bay; and/or (d) making a payment to an in-lieu fee program that will conduct wetland, marine, or other aquatic resource restoration, creation, enhancement, or preservation activities within the Santa Monica Bay. Any required compensatory mitigation or other mitigation shall be implemented as set forth in the permits.
- f. **MM BIO-4: Fill in Waters of the U.S.:** The applicant shall comply with U.S. Army Corps of Engineers (USACE) Clean Water Act and Rivers and Harbors Act permitting requirements. Prior to issuance of construction permits for the in-water elements of the proposed project, the applicant shall demonstrate that any required permits such as Clean Water Act Section 404 permit, Section 401 Water Quality Certification, and/or Rivers and Harbors Act Section 10 permit have been obtained. If it is determined that fill of waters of the United States would result from implementation of the proposed project, authorization for such fill shall be secured through the Section 404 and/or Section 10 permitting process. The net amount of Waters of the United States that would be removed during project implementation shall be quantified and replaced or rehabilitated in accordance with the USACE mitigation guidelines. If required in compliance with permit requirements, mitigation shall be implemented that includes one of the following: avoidance, impact minimization, and/or compensatory mitigation. Subject to agency coordination and permit requirements, compensatory mitigation may consist of (a) the enhancement of marine habitat associated with the opening of Seaside Lagoon to the waters of King Harbor or other marine resource restoration, establishment, enhancement, and/or preservation activity within King Harbor or elsewhere Santa Monica Bay; (b) obtaining credits from a

mitigation bank; and/or (c) making a payment to an in-lieu fee program that will conduct wetland, marine, or other aquatic resource restoration, creation, enhancement, or preservation activities. Any required compensatory mitigation or other mitigation shall be implemented as set forth in the permits.

- g. MM CUL-1: Recordation:** Prior to the issuance of any project related demolition or grading permits, the applicant shall prepare comprehensive documentation of the significantly impacted historic resources, including all features previously identified as contributive to its historic character. The project-specific historical resources identified as meeting the eligibility criteria for City of Redondo Beach Landmark designation (although there is no official designation) are: Sportfishing Pier (including buildings), 208-210 Fisherman's Wharf (Tony's On The Pier and its companion building, Tony's Hats 'N Things), Redondo Beach Pier Complex (includes the timber portion of the Horseshoe [Municipal] Pier and the Monstad Pier). The documentation shall be consistent with the requirements of Historic American Building Survey/Historic American Engineering Record/Historic American Landscape Survey (HABS/HAER/HALS) Level II, and shall conform with the applicable standards described in the Secretary of the Interior's Standards and Guidelines for Architectural and Engineering Documentation. HABS/HAER/HALS Level II documentation typically includes a written historical report accompanying photocopies of any existing architectural drawings and a set of large format (minimum 4" x 5" neg.) archival quality black and white photographs. The original documentation package shall be submitted to the City of Redondo Beach Community Development Department and Preservation Commission for review and issuance of Certificate of Appropriateness if necessary. The approved documentation package shall be submitted to the Community Development Department and City's Historical Commission for curation, with copies distributed to the Redondo Beach Public Library and the Redondo Beach Historical Museum, where they shall be accessible to the public.
- h. MM CUL-2: Interpretive Program:** An interpretive program shall be developed to include an internet website that shall be of educational benefit to the public and illustrate the history and historic architecture of the historical resource through photographs, video, and oral history interviews collected from persons familiar with the history and historic functioning of the property. Additionally, a permanent, on-site interpretive facility presenting the history of the property and incorporating HABS/HAER documentation, historical images, and salvaged elements of the historic property shall be created. The interpretive program shall be coordinated with the City of Redondo Beach Community Development Department, in coordination with the City's Preservation Commission and Historical Commission, and other agencies and organizations, as appropriate. Integration of the interpretive program with existing programs, such as the Paths of History marker program, and the Redondo Beach Historical Society website is acceptable.

- i. **MM CUL-3: Protection of the Monstad Pier During Construction:** Prior to the issuance of demolition permits associated with the Horseshoe (Municipal) Pier element of the project, construction documents shall be reviewed and approved by a qualified preservation professional to ensure that the important historic character defining elements of the Monstad Pier are maintained. To ensure that the Monstad Pier is not inadvertently damaged during construction, plans and specifications shall incorporate measures consistent with National Park Service guidance for temporary protection of historic structures ("Temporary Protection No. 3: Protecting a Historic Structure during Adjacent Construction." National Park Service, Technical Preservation Services, Washington, D.C., 2001). These plans shall also be submitted to, and reviewed by, the City's Preservation Commission and Historical Commission, pursuant to Redondo Beach Municipal Code Section 10-4.501.
- j. **MM CUL-4: Phase I Archaeological Work:** A Phase I archaeological evaluation shall be conducted in association with excavation activities (either prior to or during excavation) of the northeast and southern edges of the project site as shown on Figure 3.4-5 Phase I Archaeological Mitigation Area of the Waterfront Draft EIR. The Phase I archaeological evaluation shall be conducted with a backhoe, two supervising archaeologists, and a Native American monitor. The archaeologist in charge shall meet or exceed the qualifications set by the Secretary of the Interior's Standards and Guidelines as published in the Code of Federal Regulations, 36 CFR Part 61. If resources are determined to be present, then an evaluation of their significance would be undertaken, and if feasible, the archaeological resources shall be preserved in place. If preservation in place is infeasible, a Data Recovery Plan shall be prepared and implemented that includes, treatment, recordation and/or curation consistent with the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation. Once a decision has been made to recover archeological information through the naturally destructive methods of excavation, a research design and data recovery plan based on firm background data, sound planning, and accepted archeological methods should be formulated and implemented. Data recovery and analysis should be accomplished in a thorough, efficient manner, using the most cost- effective techniques practicable. A responsible archeological data recovery plan should provide for reporting and dissemination of results, as well as interpretation of what has been learned so that it is understandable and accessible to the public. The data recovery plan shall be grounded in and related to the priorities established by the local historic preservation commission plans and the needs of other City Departments (such as the Waterfront and Economic Development Department). Appropriate arrangements for curation of archeological materials and records shall be made.

- k. MM CUL-5: Potential to Encounter Unknown Paleontological Resources:** Prior to excavation activities, a qualified paleontologist (i.e., a paleontologist with an M.S. or Ph.D. degree in paleontology or geology and be familiar with paleontologic salvage or mitigation procedures and techniques) shall examine final design construction plans and bore logs of the project site to determine if potentially fossiliferous strata underlying the site would be encountered by excavation and, if so, what level of paleontologic monitoring should be implemented during excavation. If it is determined that such strata would be encountered by excavation, the paleontologist shall develop a written storage agreement with a recognized museum repository such as the Natural History Museum of Los Angeles County (LACM) regarding the permanent storage and maintenance of any remains that might be recovered as a result of implementing these mitigation measures. If warranted, the paleontologist shall be present at a preconstruction meeting to consult with appropriate City of Redondo Beach and Construction Contractor staff. During the meeting, the paleontologist shall conduct an employee environmental awareness training session for all personnel who will be involved with excavation. If it is determined that monitoring is necessary, a paleontologic monitor shall be on site to inspect new exposures created by excavation once that earth-moving activity has reached a depth of five feet below the current ground surface in areas underlain by Holocene beach sediments, but at any depth when excavation involves lagoonal deposits or Pleistocene marine deposits. Monitoring will allow for the recovery of fossil remains that might be uncovered by excavation. If fossil remains are discovered, the monitor will recover them and record associated specimen and locality data. If necessary, excavation at the fossil locality will be halted or diverted temporarily around the locality until the remains have been recovered. The paleontologic monitor will be equipped to allow for the timely recovery of such remains. If necessary to reduce the potential for a delay of excavation, additional personnel will be assigned to the recovery of an unusually large or productive fossil occurrence. Following the discovery of the remains, monitoring will be raised to full time when excavation involves the fossil-bearing unit and full-time monitoring is not already in effect. On the other hand, if too few or no fossil remains have been found once 50 percent of the area comprising a particular rock unit has been excavated, the Principal Paleontologist can recommend that monitoring be reduced. Recovered fossil remains will be prepared to the point of identification, identified to the lowest taxonomic level possible by knowledgeable paleontologists, and curated and cataloged in compliance with designated museum repository requirements. All curation is assumed to meet the standards identified in 36 CFR 79.9, and specifically set forth by the Department of Interior - Museum Property Handbook, DM 411, which is the standards that must be meet for facilities that house federally owned museum collections. The entire fossil collection (along with associated specimen data and corresponding geologic and geographic locality data and copies of pertinent field notes, photos, and maps) will be transferred to the

repository for permanent storage and maintenance. Associated specimen data and corresponding geologic and geographic locality data will be archived at the repository and, along with the fossil specimens, will be made available to paleontologists for future study. A final report of findings that summarizes the results of the work conducted under these mitigation measures will be prepared by the Principal Paleontologist and submitted to the City of Redondo Beach. A copy of the report will be filed at the museum repository. Submission of the report will signify completion of the mitigation program.

- i. MM HWQ-1: Tsunami/Seiche Awareness Notification Program:** The following shall be implemented on-site to reduce risks associated with tsunami: 1 - Signage shall be provided throughout the project area, showing the designated tsunami emergency evacuation route. 2 - A public address system audible at both northern and southern locations of the site shall be installed and used to inform the public of evacuation order or emergency procedures in the event a tsunami warning or alert is issued. Contact information for the on-site management office with access to the public address system shall be provided to the Redondo Beach Fire Department and provided for inclusion in City tsunami preparation/emergency response procedure manuals. 3 – A tsunami evacuation map and a copy of any City tsunami preparation/emergency response procedure manuals shall be kept in the on-site management office at all times. 4 - Tsunami preparedness training shall be provided to on-site security personnel. 5 - Additional information, such as brochures and signage, promoting tsunami awareness and providing the website to the City's emergency preparedness website shall also be made available at the project site.
- m. MM HWQ-2: Wave Uprush Protection:** A four-foot high recurved splash wall shall be placed within the existing revetment at the seaward edge of the boardwalk to redirect up-rushed water back toward the ocean (as shown in Figure 3.8-16 of the Waterfront Draft EIR), or other wave uprush protection that prevents inundation from occurring at the buildings and pedestrian boardwalk located landward of the northern portion of the Horseshoe (Municipal) Pier (just to the north and south of Kincaid's restaurant) shall be installed, subject to California Coastal Commission recommendations and approval, prior to certificates of occupancy for the buildings. The top of the splash wall shall be level with the finished grade of the boardwalk.
- n. MM HWQ-3: Sea Level Rise Adaption Plan:** The Applicant shall every 10 years from the first Certificate of Occupancy issued for the proposed project, review information from the National Oceanographic and Atmospheric Administration's (NOAA) tide measurement at the Santa Monica tide gauge and the recorded sea level rise trend, as well as pertinent literature that updates the sea level rise trend, to determine if sea level rise at the project site is trending toward the high, mid-level or low projections recommended by

the Californian Ocean Protection Council (COPC). If the review of information shows that trend is consistent with the high projections of the COPC, then the Applicant shall design and implement a supplemental feature, such as a parapet adaptation to (and on top of) the proposed recurved splash wall or a raised splash wall to respond to sea level rise under the high projection trend (see Figure 3.8-17 of the Waterfront Draft EIR). If the future sea level rise shows an accelerating trend, the construction of such adaptations may then be implemented at an appropriate time in the future.

- o. MM NOI-1: Pile Driving Vibration:** Prior to approval of grading plans and/or prior to issuance of demolition, grading and building permits for construction activities involving the use of pile drivers (impact) within 55 feet of non-engineered timber and masonry structures/buildings or within 30 feet of structures/buildings constructed of reinforced-concrete, steel, or timber, and to the satisfaction of the City of Redondo Beach Building and Safety Division, the project applicant shall retain a Professional Structural Engineer to perform the following tasks: Review the project plans for demolition and construction; Investigate the area where pile driving is proposed to occur, including geological testing, if required; and Prepare and submit a report to the Chief Building Official to include, but not be limited to, the following: Description of existing conditions at the subject area; Vibration level limits based on building conditions, soil conditions, and pile driving approach to ensure vibration levels would be below 0.2 in/sec for non-engineered timber and masonry buildings if nearby or 0.5 in/sec for structures or buildings constructed of reinforced-concrete, steel, or timber if nearby; and Specific measures to be taken during pile driving to ensure the specified vibration level limits are not exceeded.
- p. MM NOI-2: Equipment Mufflers:** During all project construction, all construction equipment, fixed or mobile, shall be operated with closed engine doors, if so equipped, and shall include properly operating and maintained residential-grade mufflers consistent with manufacturers' standards.
- q. MM NOI-3: Stationary Equipment:** Stationary construction equipment (fixed equipment such as compressors, generator, fans, as well as idling vehicles, etc.) operating in proximity to noise sensitive receptors (i.e., residential structures) shall be placed a minimum of 50 feet away from such receptors so that emitted noise is naturally dissipated from the receptors.
- r. MM NOI-4: Equipment Staging Areas:** Equipment staging shall be located in areas that are shielded from and/or set back noise sensitive receptors, with a minimum of 50 feet separation between the sensitive receptor and the nearest edge of the staging area.

- s. **MM NOI-5: Electrically-Powered Tools and Facilities:** Where available, electrical power from a grid connection shall be used to run air compressors and similar power tools and to power any temporary equipment.
- t. **MM NOI-6: Sound Barriers:** Temporary sound barriers shall be installed and maintained by the construction contractor between the construction site and the residences to the east as needed during construction phases with high noise levels. Temporary sound barriers shall consist of either sound blankets capable of blocking approximately 20 A-weighted decibels (dBA) of construction noise or other sound barriers/techniques such as acoustic padding or acoustic walls placed near the existing residential buildings to the east of the project site that would reduce construction noise by approximately 20 dBA. Barriers shall be placed such that the line-of-sight between the construction equipment and immediately adjacent sensitive land uses is blocked.
- u. **MM NOI-ALT-1: Temporary Relocation of Liveaboards:** A temporary moorage location within King Harbor shall be provided to liveaboard vessels located within 150 feet of construction activities as needed during construction phases with high noise levels. The need for relocation should be evaluated on a case-by-case basis considering the type of construction activities occurring, equipment being used, duration, and distance to the noise sensitive receptors.
- v. **MM TRA-1: Valley Drive/Francisca Avenue & Herondo Street (Intersection 6) – City of Hermosa Beach:** A traffic signal would be installed at this intersection for which the project Applicant would provide fair share funding.
- w. **MM TRA-2: Pacific Coast Highway & Herondo/Anita Street (Intersection 7):** An additional westbound and eastbound through lane would be added. For the westbound approach, the center-raised median would be narrowed or eliminated. The two westbound left turn lanes would be shifted to the south to accommodate the additional westbound through lane. An additional westbound receiving lane would be added extending for a minimum of half a block length to the west of Intersection 7. The additional eastbound through lane would need to extend for a minimum of half the block length to the west of Intersection 7. The on-street angled parking on Herondo Street conflicts with the additional eastbound and westbound lane, and will require their removal. Parking will be replaced at 1:1 ratio to the satisfaction of the City Engineer, which could include, but not be limited to, off-street parking at the Triton Site, which is located northwest of Portofino Way and Harbor Drive, and/or parking at the project site over and above the ULI Parking Demand of 2,147 parking spaces. In addition, the on-street bike lanes would be shifted from their current location, but can be accommodated with the addition of the two through lanes.

- x. **MM TRA-3: Pacific Coast Highway & Catalina Avenue (Intersection 10):** One additional eastbound left turn lane would be added to provide two left turn lanes onto Pacific Coast Highway northbound. The intersection would also be restriped to provide one shared left-right lane, for a total of three lanes on the eastbound approach.
 - y. **MM TRA-4: Pacific Coast Highway & Beryl Street (Intersection 19):** Add a southbound dedicated right-turn lane. This additional lane would encroach into the existing sidewalk right-of-way of the Gertruda Avenue cul-de-sac, and require the removal of mature trees that line the western side of the street. The sidewalk would need to be reconstructed to the west of its current location, which would narrow the end of the cul-de-sac.
 - z. **MM TRA-5: Pacific Coast Highway & Torrance Boulevard Avenue (Intersection 26):** A northbound and an eastbound right-turn lane would be added at this intersection to mitigate the project's impact. The northbound right-turn lane is an approved project identified as mitigation from a prior project in the City, and therefore, the Applicant would provide a fair share contribution for these improvements. The eastbound right-turn lane would be fully-funded by the proposed project. The eastbound right-turn lane can be accommodated through restriping the outer eastbound lane on Torrance Boulevard, which measures 24 feet.
 - aa. **MM TRA-6: Pacific Coast Highway & Palos Verdes Drive (Intersection 36):** Add a southbound right-turn lane. The project Applicant shall provide a fair share percentage of contribution to this mitigation measure along with other development projects that would impact this intersection.
- 26. That the applicant shall be required to adhere to the adopted (Revised) Mitigation Monitoring and Reporting Program prepared in conjunction with the approved Final Environmental Impact Report (SCH# 2014061071 / File No. 2014-04-EIR-001). Compliance monitoring shall be as specified in the MMRP.
 - 27. That the applicant shall comply with the following conditions of approval identified in the Final EIR:
 - a. **COA AES-1: Lighting** - Lighting at the project site would consist of various types of light sources, including light emitting diodes (LEDs), aimed or shielded in such a manner as to limit light trespass, direct the visual impact of the display to the appropriate audience, and direct light away from adjacent residential premises. The final lighting and signage plans shall be in substantial conformance with the plans approved by the Harbor Commission. Final lighting plans shall be subject to review and approval by the Community Development Department. In the event that the lighting plans are not approved by the Community Development Department, said plans shall be

referred to the Harbor Commission for review. Final signage plans shall be reviewed by the Harbor Commission.

- b. COA AES-2: Glare** - All buildings, parking structures, and signage within the project site shall be prohibited from using large expanses of reflective materials such as mirrored glass in exterior façades. Buildings and structure façades shall primarily make use of textured and other non-reflective materials, such as, but not limited to wood, cement, plaster, brick, concrete, non-polished metal and non-mirrored glass. In addition, methods such as screening and architectural design shall be incorporated into the new parking structures to prevent automobile headlights from shining directly into adjacent light-sensitive uses (e.g., hotels and residential uses). The final architectural design and plans for the proposed project, which include the materials and textures shall be in substantial conformance with the design and plans approved by the Harbor Commission and shall be subject to the review and approval of the Community Development Department. In the event that final architectural design and plans are not approved by the Community Development Department, said design and plans shall be referred to the Harbor Commission for review.
- c. COA BIO-1: California Least Tern** - If the construction schedule overlaps with the California least tern breeding season of April 1 – September 15, a qualified biologist¹ shall conduct monitoring prior to the initial start of construction within 500 feet of in-water construction activities. (“in water work area”). The contractor shall delay commencing work if terns are actively foraging (e.g. searching and diving) within the in-water work area. If no least terns are actively foraging within 500 feet of in-water construction activities, construction can commence. Monitoring shall continue a minimum of one-hour twice a week during in-water project activities during the breeding season (April 1 – September 15). In-water construction will be halted if least terns are actively foraging within 500 feet of the in-water construction area, and can resume when least terns have left the area within 500 feet of in-water construction. ¹ The Qualified Biological Monitor should have a minimum of a Bachelor of Science Degree or Bachelor of Arts Degree in biology or related environmental science, having a demonstrated familiarity with the natural history, habitat requirements and affinities, and identification of the species of concern at the site, demonstrated familiarity with the laws and regulations governing the protection of the species, and 2 years of construction and/or operations effects monitoring experience.
- d. COA BIO-2: Permit Compliance** - In compliance with the Clean Water Act, it is anticipated that a Section 404 permit would be required for project activities, including placement of permanent fill in jurisdictional waters. A Section 401 Water Quality Certification would also be required. In compliance with the Rivers and Harbors Act, a Section 10 permit would be required for “all work, including structures, seaward of the annual high water

line in navigable waters of the United States". Compliance with these permits may include best management practices and construction measures to control turbidity in the water column adjacent to in-water work. The Water Quality Certification would contain water quality monitoring requirements for dissolved oxygen, light transmittance (turbidity), pH, and suspended solids at varying distances from the dredging operations. The permit would also include corrective actions in the unlikely event that construction exceeds any of the monitoring levels, which include silt curtains, which would be implemented if the monitoring data indicate that water quality conditions outside of the mixing zone exceed the permit-specified limits.

- e. **COA BIO-3: Marine Mammal Management Program** - While impacts are less than significant without mitigation, the City is proposing the following Condition of Approval as part of its Conditional Use Permit procedures: The City of Redondo Beach shall prepare and initiate implementation of a marine mammal management program prior to the opening of Seaside Lagoon to harbor waters as recommended below to deter pinnipeds from establishing a regular presence in the lagoon or immediate vicinity. The marine mammal management program includes the following: 1) A formal determination must be made that marine mammals in Redondo Beach threaten public health and welfare, and public and private property. Apply accepted standards and practices for addressing public health, welfare, and nuisances. 2) Determine that under section 109(h)(1)(B) of the Marine Mammal Act the City has the authority to take marine mammals for the purpose of protection of public health and welfare. 3) Designate a chain of authority within the City for the implementation of marine mammal deterrents, including providing department director level controls on program implementation. 4) Establish marine mammal controls including, but not limited to: a. Eliminate pinniped haul-outs on public and private structures and vessels within King Harbor, except as designated; b. Reduce or eliminate existing colonial haul-outs inside King Harbor; c. Prevent the development of new colonial haul-outs or seal nursery aggregations on public beaches, structures or jetties of existing King Harbor facilities or harbor revitalization project facilities; d. Design revitalization facilities and uses in a manner that minimizes promotion of pinniped use, including: i. Avoiding development of areas isolated from public access that support flat surface near the water's edge; ii. designing public outreach signage regarding marine mammal hazards, not feeding animals or having close interactions, and the presence of a formal deterrent program; iii. adoption of stringent and enforceable policies on discharges of fish and food wastes in and around the water, feeding animals, and enticing sea lions and seals; 5) Implement a non-lethal marine mammal management program under the following scenarios: a. a normal year, b. an abnormal year (with abnormally high number of starving or sick pinnipeds), c. stranding protocol that addresses both healthy and sick/injured animals and provides contact information for marine mammal rescue organizations and the National Marine Fisheries Service (NMFS) Southwest Region Marine Mammal Stranding

Network. The City shall implement a public education campaign that may include the following: 1) Develop and distribute signage and flyers designed to educate the public on elements of the program; 2) Assign an information officer to talk to the public, where deterrents are implemented, for a period of time until public interest dies down; and 3) Have animal control staff implementing the program wear official City attire and incorporate an informational web-site address on shirts where the public may garner additional information on the program. The Marine Mammal Management Program does not require removal or modification to existing sea lion barges, nor does it preclude the addition of new sea lion barges. While not anticipated, any removal or reduction in sea lion barges in the harbor shall be reviewed and approved by the Harbor Commission prior to any such alteration.

- f. **COA BIO-4: Eelgrass** - Prior to any in-water construction, the project area would be surveyed per the Southern California Eelgrass Mitigation Policy (SCEMP). The SCEMP is administered by the U.S. Fish and Wildlife Service, National Marine Fisheries Service (NMFS), and California Department of Fish and Wildlife in order to determine impacts to eelgrass resources. In accordance with the requirements of the SCEMP, a pre-construction eelgrass survey shall be completed by a qualified biologist within 60 days prior to initiation of demolition or construction activities at the site. This survey shall include both area and density characterization of the beds. A post-construction survey shall be performed by a qualified biologist¹ within 30 days following project completion to quantify any unanticipated losses to eelgrass habitat. Impacts shall then be determined from a comparison of pre- and post-construction survey results. Impacts to eelgrass, if any, would require mitigation as defined in the SCEMP. If required following the post-construction survey, a mitigation planting plan shall be developed, approved by NMFS, and implemented to offset losses to eelgrass.¹ The Qualified Biological Monitor should have a minimum of a Bachelor of Science Degree or Bachelor of Arts Degree in biology or related environmental science, having a demonstrated familiarity with the natural history, habitat requirements and affinities, and identification of the species of concern at the site, demonstrated familiarity with the laws and regulations governing the protection of the species, and 2 years of construction and/or operations effects monitoring experience.
- g. **COA BIO-5: Caulerpa** - Prior to initiation of any permitted disturbing activity, a pre-construction survey of the project area shall be conducted to determine the presence or absence of Caulerpa. Per the National Marine Fisheries Service's (NMFS') Caulerpa Control Protocol, this survey shall be conducted at a Surveillance Level, since Caulerpa has not been detected in King Harbor. Survey work shall be completed no earlier than 90 days prior to the disturbing activity and no later than 30 days prior to the disturbing activity and shall be completed, to the extent feasible, during the high growth period of March 1 –

October 31. If detected, NMFS and California Department of Fish and Wildlife will be notified within 24 hours of completion of the survey.

- h. COA BIO-6: Compliance with NMFS Guidelines for Overwater Structures** - The proposed project shall comply with National Marine Fisheries Service (NMFS) guidelines for overwater structures and Essential Fish Habitat (EFH). The City will cooperate in any consultation process with NMFS regarding impacts to EFH; consultation would be conducted prior to implementation of the proposed project.
- i. COA GEO-1: Geotechnical Report Per the Seismic Hazard Mapping Act** - As required by the Seismic Hazard Mapping Act of 1990 (Public Resources Code Section 2697[a]), the City shall require, prior to the approval of a project located in a seismic hazard zone, a geotechnical report defining and delineating any seismic hazard. Because a majority of the proposed project is within a liquefaction zone, a geotechnical report or reports prepared in accordance with the Act would be prepared and submitted to the City's Building and Safety Division prior to implementation of the project.
- j. COA GEO-2: Seismic Design and Engineering Criteria** - The proposed project would be designed and constructed in accordance with California Building Code provisions associated with seismic design and engineering criteria (including recommendations in geotechnical reports prepared as part of the design process) to minimize potential risks to people and buildings/structures in the event of seismically-induced geological hazards (including liquefaction). This includes requirements for construction, grading, excavations, use of fill, and foundation work (including type of foundation and/or soil improvement requirements), including type of materials, design, procedures, etc. Such design and construction practices would include, but not be limited to, completion of site-specific geotechnical investigations regarding construction and foundation engineering. The design would incorporate measures pertaining to temporary construction conditions as well as long-term operational conditions specific to the project site.
- k. COA GEO-3: Final Geotechnical Report Review and Approval** - The final geotechnical report(s) shall be reviewed by the City's Building and Safety Division for findings and recommendations, and the City shall approve the final project plans once satisfied that all appropriate site-specific design criteria and geotechnical recommendations, including any additional recommendations that come out of this review, have been applied to the implementation of the project through the project plans. The applicant is required to comply with the recommendations contained in the geotechnical report.
- l. COA HAZ-1: Contamination Contingency Plan** - If soil and/or buried debris is encountered during excavation or grading that is suspected to be

contaminated (i.e., is observed by sight, smell, or instrument such as a photoionization detector [PID] meter if in use), work in the area of potential contamination shall be temporarily halted and redirected around the area until the appropriate evaluation and follow-up measures are implemented. The potential contamination would be evaluated by a qualified environmental professional using appropriate evaluation practices and, if necessary, sampling and analysis techniques as determined by the environmental professional based on the nature of the find. The nature and extent of contamination shall be determined and the appropriate handling, disposal and/or treatment shall be implemented (i.e., excavated/disposed of, treated in-situ [in-place], or otherwise managed) in accordance with applicable regulatory requirements, such as those associated with, but not limited to, the Rbfd, LACFD, LARWQCB, CalEPA, DTSC, and/or SCAQMD, as appropriate.

- m. **COA NOI-1: Parking Area/Structure Design** – Parking shall be designed to include buffers and/or shielding by walls, fences, or adequate landscaping to reduce noise exposure to nearby noise sensitive receptors. Additionally, design measures for parking structures near noise sensitive uses shall include: the use of materials that reduce sound transmission; the configuration of interior spaces to minimize sound amplification and transmission; or other suitable and appropriate means to reduce noise exposure to nearby noise sensitive receptors. This condition has been revised since the release of the FEIR.
- n. **COA REC-1: Temporary Hand Launch and Dinghy Dock** – The City is to minimize the interruption of existing hoist operations to the extent feasible per the construction schedule. Construction of the boat launch ramp and hoist must commence within six (6) months of construction of the northern portion of the project. The City would secure for temporary use a nearby location for use as a hand launch and dinghy dock during the construction of the proposed project. Possible nearby locations include: fuel dock at Portofino; Mole B (Outriggers' launch); and, King Harbor Yacht Club.
- o. **COA REC-2: Redondo Beach Marina in Basin 3 Slip Transition/Temporary Relocation Plan** - A slip transition and/or temporary relocation plan would be established for vessels located with the Redondo Beach Marina/Basin 3 similar to the temporary relocation plan established for Portofino Marina (located within King Harbor to the north of the project site). The temporary transition/relocation plan is intended to provide temporary slips for displaced vessels during the reconstruction/redevelopment of the Redondo Beach Marina. The plan would include notifying tenants in advance of construction, finding temporary locations elsewhere in King Harbor for displaced vessels prior to the start of construction, and phasing construction to minimize the disruption to the degree feasible, including minimizing the number of times that vessels must be moved over the course of the

construction. The transition/relocation plan would include measures to provide for continued operation of visitor-serving vessels (e.g., charter fishing operations, whale watching, glass bottom tours, harbor tours, etc.), such as use of transient moorings within the harbor and operating from other marinas within King Harbor. The temporary locations identified in the relocation plan would take into account the adequacy of the replacement locations, to ensure that adequate space and amenities (e.g., parking spaces) are available to accommodate the relocated uses and so as not to disrupt existing uses or result in substantial physical deterioration of the temporary location.

- p. **COA TRA-1: Construction Traffic:** **The following conditions are recommended:** A flagman shall be placed at the truck entry and exit from the Project site, To the extent feasible, deliveries and pick-ups of construction materials shall be scheduled during non-peak travel periods to the degree possible and coordinated to reduce the potential of trucks waiting to load or unload for protracted periods of time, Access shall remain unobstructed for land uses in proximity to the Project site during project construction, Minimize lane and sidewalk closures to the extent feasible. In the event of a temporary lane or sidewalk closure, a worksite traffic control plan, approved by the City of Redondo Beach, shall be implemented to route traffic, pedestrians, or bicyclists around any such lane or sidewalk closures, A Construction Management Plan shall be developed by the contractor and approved by the City of Redondo Beach. In addition to the measures identified above, a Construction Management Plan shall include the following: Schedule vehicle movements to ensure that there are no vehicles waiting off-site and impeding public traffic flow on the surrounding streets, Establish requirements for the loading, unloading, and storage of materials on the Project site, Coordinate with the City and emergency service providers to ensure adequate access is maintained to the Project site and neighboring businesses.
- q. **COA TRA-2: Promote Alternative Transportation Modes for Employees and Patrons** - With the objective to support trip and emission reduction goals, the project applicant shall encourage employees and patrons to use existing bus service, pedestrian and bicycle connectivity to and through the site, which would decrease the number of vehicle trips. In addition, TDM measures that could further reduce trips could include: Shuttles to/from the Metro Green Line Station, Shuttles to/from LAX for hotel guests, Transit pass subsidies, vanpool services, and other incentives to employees to reduce vehicle trips.
28. That the applicant shall provide on-site erosion protection for the storm drainage system during construction, to the satisfaction of the Engineering Department.
29. That all on-site litter and debris shall be collected daily during construction.
30. That construction work shall occur only between the hours of 7 a.m. and 6 p.m. on Monday through Friday, between 9 a.m. and 5 p.m. on Saturday, with no work

occurring on Sunday and holidays unless for unique and exceptional reasons the applicant obtains an After Hours Permit from the Community Development Department.

31. That a Project Information Officer shall be assigned to the site during construction. The officer shall provide community updates through a City website page as well as periodic email blasts to interested parties. A construction hotline phone number shall be dedicated for the project.
32. That Material storage on public streets shall not exceed 48 hours per load.
33. That the project developer and/or general contractor shall be responsible for counseling and supervising all subcontractors and workers to ensure that neighbors are not subjected to excessive noise, disorderly behavior, or abusive language.
34. That barriers shall be erected to protect the public where streets and/or sidewalks are damaged or removed.
35. That streets and sidewalks adjacent to job sites shall be clean and free of debris.
36. That there shall be no outdoor amplified music before 6 p.m. or after 10 p.m. on Monday through Thursday and before 2 p.m. or after 10 p.m. on Friday through Sunday without administrative review and approvals from the City.
37. That the following list of operational hours shall be the maximum allowed by all businesses authorized by this Conditional Use Permit. Any operations outside those specified herein shall require an amendment to this specific condition of the Conditional Use Permit:

Land Use Classifications	Permitted Hours of Operation
Bars and nightclubs	10 a.m. – 2 a.m.
Commercial recreation, i.e. theatre	8 a.m. – 2 a.m.
Food and beverage sales	5 a.m. – 2 a.m.
Hotel	24 hours
Marinas	24 hours
Marina-related facilities	24 hours
Offices	24 hours
Personal convenience services, i.e. spas	5 a.m. – 12 a.m.
Personal improvement services, i.e. yoga instruction	5 a.m. – 12 a.m.
Restaurants / Snack Shops	5 a.m. – 2 a.m.
Recreational equipment rentals	5 a.m. – 10 p.m.
Retail Sales	5 a.m. – 12 a.m.
Market Hall	5 a.m. – 2 a.m.
Cultural institutions	8 a.m. – 12 a.m.

Land Use Classifications	Permitted Hours of Operation
Government offices	24 hours
Piers, parks, recreation and open space	24 hours
Parking lots	24 hours
Public safety facilities	24 hours
Public utility facilities	24 hours
Recreation facilities	5 a.m. – 12 a.m.

38. That this Master Conditional Use Permit shall permit the overall occupancy of the project with the following uses: commercial office, hotel, theater, restaurant, retail, and recreational uses. That the maximum allowable percentage of each use in relationship to the total overall project square footage of 523,939 shall be 35 percent restaurant, 24 percent hotel, 20 percent retail, 12 percent office and 9 percent specialty cinema. Variations in these use percentage maximums may be approved provided that the overall trip generation and parking demand does not exceed that approved in conjunction with this Conditional Use Permit. The Waterfront and Economic Development and Community Development Departments shall monitor compliance with this condition.
39. Any proposed future use not conforming to the conditions specified in this Master Conditional Use Permit shall require consideration of an amendment to this permit for the specific limited exception to the conditions contained herein.
40. That the applicant shall comply with the following Coastal Land Use Plan policy: Lower cost visitor accommodations shall be protected, encouraged, and where feasible, provided. In the Coastal Zone when demolition of existing lower cost overnight visitor accommodations or when Hotels or Limited Use Overnight Visitor Accommodations are proposed that include high-cost overnight visitor accommodations, an in-lieu fee in an amount necessary to off-set the lack of the preferred lower cost facilities in Redondo Beach shall be imposed. The fee shall be \$30,000 per room that mitigation is required for, and the fee shall be adjusted annually to account for inflation according to increases in the Consumer Price Index U.S. City Average (based on a 2010 baseline). The fee shall apply to 25% of the total number of proposed units that are high-cost overnight visitor accommodations or limited use overnight visitor accommodations. If as a part of a proposed development all units for which an in-lieu fee would be required are replaced by lower cost overnight visitor accommodations within the Coastal Zone of Redondo Beach, the in-lieu fee shall be waived.
41. That a Final Basin 3 Marina Reconstruction Plan and Bridge Operations and Maintenance Plan shall be prepared and submitted for review by the Harbor Commission prior to issuance of building permits. Said plan shall be reviewed and approved by the Waterfront and Economic Development Department, the Community Development Department and the Fire Department prior to commencement of construction and said plan shall be implemented following

final inspection. Bridge construction shall be completed prior to issuance of the certificate of occupancy for buildings in the southern portion of the project.

42. That the bridge operations and maintenance plan shall (1) specify that the pedestrian bridge across the mouth of Basin 3 shall be operated in compliance with drawbridge operation regulations set forth in 33 CFR 117, which establishes drawbridge operational parameters for normal and emergency operations; and (2) include provisions for providing 24-hour vessel access to Basin 3 which shall include the monitoring and use of Marine Channel 16 and providing an emergency phone number for boaters to call to request the raising of the bridge outside of regular operating hours. This plan may also include (but is not limited to) one or more of the following: 1) requiring staff trained to operate the bridge to be on-site at all times; or 2) closing the bridge to pedestrians and leaving it in an open position during late night/early morning hours. The plan may be adjusted per administrative review. The applicant shall present a review of operations to the Harbor Commission no later than 6 months from the date of commencement.
43. That a use and operating plan for Seaside Lagoon shall be prepared and reviewed by the Harbor Commission. The plan shall include the following: 1) A loading zone and/or other temporary parking to accommodate a minimum of three private vehicles on the roadway east of Seaside Lagoon for temporary loading/unloading. Said parking spaces/loading zone shall be restricted and operated as temporary loading and unloading spaces for users of the new beach and time limits may be adjusted as necessary to facilitate these operations; 2) Water quality testing by the applicant to verify compliance with the standards set forth by applicable regulatory agencies which may include the California Regional Water Quality Control Board and the County Department of Health Services. The testing shall be performed by a certified laboratory approved by the City. The testing shall be monthly during the active summer months from May to September and quarterly during the remainder of the year. The test results shall be submitted to the City for review; 3) Publicly accessible short-term lockable board storage racks and bicycle racks including design, location and number of facilities; 4) Lifeguard services provided by the City and/or the applicant as necessary and appropriate; 5) Details regarding trash management within the Lagoon; 6) Details regarding allowances and procedures for special events; and 7) Anticipated recreation programs and activities.
44. That a Final Public Parking Structure Operations and Maintenance Plan shall be prepared and submitted to the Waterfront and Economic Development Department prior to issuance of permits. Said plan shall be reviewed and approved by the Waterfront and Economic Development Department prior to commencement of construction and said plan shall be implemented following final inspection. The Plan shall generally provide that public parking be available 24 hours each day and that fees may be charged for parking and adjusted in accordance with Coastal Commission Guidelines. Guides signs and a real-time

information system identifying the availability of parking spaces at the various parking locations shall be provided in the Parking Structures.

45. That the applicant may enter into an agreement with the City of Redondo Beach to allow parking and vehicle code enforcement throughout some or all areas of the project. Said agreement shall be subject to review of the City Manager, Chief of Police and City Council.
46. That commercial loading and unloading shall take place between the hours of 7:00 a.m. and 10:00 p.m., Monday through Sunday pursuant to Redondo Beach Municipal Code Section 12-2.10. All trucks shall not be permitted to idle engines or run refrigeration equipment while loading and unloading. Any deviations to these delivery hours may be granted subject to administrative review.
47. That Public Bus Stops, benches, trash cans, and recycling cans shall be provided in coordination with the Public Works and Community Services Departments. The location and design for these features shall be consistent with the proposed streetscape.
48. That a transport service be provided to Los Angeles International Airport and the Metro Green Line Station from the proposed hotel. Said service shall be provided between the hours of 4:30 a.m. and 12:30 a.m. daily. Guest transport service shall be available upon request of the hotel guests.
49. That the reconnection of Pacific Avenue (Harbor Drive extension) along the east side of the project shall be completed and open for public use prior to the issuance of the Final Certificate of Occupancy of the final phase.
50. That all uses proposing live entertainment shall be subject to the City's Entertainment Permit requirements.
51. That all businesses serving alcoholic beverages shall comply with all of the regulations of the Alcoholic Beverage Control Act and the regulations promulgated by the Alcoholic Beverage Control Board including, without limitation, the regulations set forth in 4Cal. Code of Regs. §§ 55, *et seq.*
52. That all employees serving alcoholic beverages to patrons must complete a certified training program by the State Department of Alcoholic Beverage Control (ABC) for the responsible sales of alcohol. The training must be offered to new employees on not less than a quarterly basis.
53. That the applicant shall encourage employees and patrons to use existing bus service, pedestrian and bicycle connectivity to and through the site, which would decrease the number of vehicle trips. In addition, TDM measures that could further reduce trips could include: shuttles to/from the Metro Green Line Station,

shuttles to/from LAX for hotel guests, and transit pass subsidies, vanpool services, and other incentives to employees to reduce vehicle trips.

54. That off-site parking for employees and surplus or overflow parking is hereby authorized. Plans for such parking shall be reviewed and approved by the Director of Public Works and the Community Development Director.
55. That the following traffic flow improvements on Harbor Drive, and the Harbor Drive extension shall be designed and constructed prior to final occupancy of the project. The project Applicant shall provide a fair share contribution for these improvements. If the installation of these improvements results in the loss of any on street parking that parking shall be replaced at a one to one ratio. Replacement parking can be accommodated within the parking structures proposed for the project or on another site or sites within the Harbor and Pier area. Signal timing, phasing, equipment, signage and markings shall be adjusted to accommodate all modes of travel. The final design of these improvement shall be subject to the review and approval of the City Engineer.
 - a. Design and construct a southbound right turn lane on Harbor Drive at Yacht Club Way sufficient to accommodate the projected turning volumes such that all turning vehicles are serviced within one signal cycle. The right turn lane shall be designed in compliance with standards and guidance found within the California Highway Design Manual, the California Manual on Uniform Traffic Control Devices (CA MUTCD) and the Caltrans Standard Plans that are current at the time of construction.
 - b. Design and construct a southbound right turn lane on Harbor Drive at Marina Way sufficient to accommodate the projected turning volumes such that all turning vehicles are serviced within one signal cycle. The right turn lane shall be designed in compliance with standards and guidance found within the California Highway Design Manual, the California Manual on Uniform Traffic Control Devices (CA MUTCD) and the Caltrans Standard Plans that are current at the time of construction.
 - c. Design and construct a southbound right turn lane on Harbor Drive at Portofino Way/Beryl Street sufficient to accommodate the projected turning volumes such that all turning vehicles are serviced within one signal cycle. The right turn lane shall be designed in compliance with standards and guidance found within the California Highway Design Manual, the California Manual on Uniform Traffic Control Devices (CA MUTCD) and the Caltrans Standard Plans that are current at the time of construction.
 - d. Construct a new traffic signal on Harbor Drive at the primary entry to the Harbor Drive parking structure just south of Portofino Way. The traffic signal shall be designed in compliance with standards and guidance found

within the California Highway Design Manual, the California Manual on Uniform Traffic Control Devices (CA MUTCD) and the Caltrans Standard Plans that are current at the time of construction.

- e. Design and construct a southbound right turn lane on Harbor Drive at the primary entry to the Harbor Drive parking structure just south of Portofino Way sufficient to accommodate the projected turning volumes such that all turning vehicles are serviced within one signal cycle of the new traffic signal. The installation of the traffic signal and right turn lane may include realignment of the existing lanes on Harbor Drive.
 - f. Design and construct a new traffic signal controlled intersection at the intersection of Pacific Avenue, Harbor Drive and the Public Market surface parking lot access driveway. The design of said intersection shall provide a protected and efficient crossing of the Harbor Drive Cycle Track to the eastern alignment and shall control traffic entering and exiting the Harbor Drive extension, Pacific Avenue and the Public Market.
56. That the pedestrian crossing at the mid-point of the Harbor Drive extension shall be designed and constructed to provide a protected crossing that is actuated by pedestrians. Actuation may be active or passive, at the discretion of the City. The project Applicant shall provide a fair share contribution for these improvements prior to final certificate of occupancy or prior to final certificate of occupancy for Phase 1 if the project is phased. The crossing shall be designed in compliance with standards and guidance found within the California Highway Design Manual, the California Manual on Uniform Traffic Control Devices (CA MUTCD) and the Caltrans Standard Plans that are current at the time of construction. The crossing controls shall be analyzed to ensure that City-approved levels-of-service are maintained based on the projected volumes.
57. That the pedestrian and bicycle crossing at the southern end of the Harbor Drive extension shall be designed and constructed to provide a protected crossing that is actuated by pedestrians. Actuation may be active or passive, at the discretion of the City. The project Applicant shall provide a fair share contribution for these improvements prior to final certificate of occupancy or prior to final certificate of occupancy for Phase 1 if the project is phased. The crossing shall be designed in compliance with standards and guidance found within the California Highway Design Manual, the California Manual on Uniform Traffic Control Devices (CA MUTCD) and the Caltrans Standard Plans that are current at the time of construction. The crossing controls shall be analyzed to ensure that City-approved levels-of-service are maintained based on the projected volumes.
58. That the applicant/owner/operator/lessee of the proposed project and subject property shall comply with the requirements of Section 10-5.1900(h) of the City's Coastal Zoning Implementation Ordinance with respect to Tree Trimming within

the Harbor/Pier Area which currently reads as follows: The trimming and/or removal of any trees that have been used for breeding and nesting by bird species listed pursuant to the federal or California Endangered Species Acts California bird species of special concern and wading birds, herons or egrets within the past five 5 years as determined by a qualified biologist or ornithologist shall be undertaken in compliance with all applicable codes and regulations of the California Department of Fish and Game the US Fish and Wildlife Service and the US Migratory Bird Treaty Act.

- (1) No tree trimming or removal shall take place during breeding and nesting season (January through September) unless a tree is determined by a qualified arborist to be a danger to public health and safety. A health or safety danger exists if a tree or branch is dead, diseased, dying, or injured and is seriously compromised. Tree trimming or removal shall only be carried out from October 1st through December 31st.
- (2) Trees or branches with a nest of a wading bird (heron or egret), a State or Federal listed species, or a California bird species of special concern that has been active any time in the last five (5) years shall not be removed or disturbed unless a health and safety danger exists.
- (3) Any breeding or nesting tree that must be removed shall be replaced at a 1:1 ratio. Replacement trees shall be native or regionally appropriate non-natives and non-invasive.
 - a. A tree replacement and planting plan for each tree replacement shall be developed to specify replacement tree locations which must be in close proximity to the existing nesting tree, tree size (no less than thirty-six (36) inch box size), planting specifications, and a five (5) year monitoring program with specific performance standards.
 - b. An annual monitoring report for tree replacement shall be submitted for the review and approval of the Waterfront and Economic Development Director and maintained on file as public information.
- (4) Tree trimming or removal during the non-breeding and non-nesting season (October 1st through December 31st) shall follow the following procedures.
 - a. Prior to tree trimming or removal, a qualified biologist shall survey the trees to be trimmed or removed to detect nests and submit the surveys to the Waterfront and Economic Development Department. Tree trimming or removal may proceed if a nest is found, but has not been used within the prior five (5) years and no courtship or nesting behavior is observed.
 - b. In the event that a wading bird (heron or egret) species, a State or Federal listed species, or a California bird species of special concern return or continue to occupy trees during the non-nesting season (October 1st through December 31st), trimming shall not take place until a qualified biologist has assessed the site, determined that

courtship behavior has not commenced, and has given approval to proceed within 300 feet of any occupied tree (500 feet for raptor species (e.g., bald eagles, osprey, owls)).

- c. Trimming of nesting trees shall not encroach within ten (10) feet of an unoccupied nest of any of the bird species referenced above. The amount of trimming at any one time shall be limited to preserve the suitability of the nesting tree for breeding and/or nesting habitat.
 - d. Written notice of tree trimming and/or removal shall be posted and limits of tree trimming and/or removal shall be established in the field with flagging and stakes or construction fencing at least one week before work takes place. The notice and flagging/fencing does not apply to an immediate emergency situation.
- (5) Tree trimming or removal during breeding and nesting season (January-September) shall be undertaken only because a health and safety danger exists, as determined by a qualified arborist, in consultation with the Waterfront and Economic Development Department and the City of Redondo Beach, and shall use the following procedures:
- a. A qualified biologist shall conduct surveys and submit a report at least one week prior to the trimming or removal of a tree (only if it is posing a health or safety danger) to detect any breeding or nesting behavior in or within 300 feet (500 feet for raptors) of the work area. An arborist, in consultation with the qualified biologist, shall prepare a tree trimming and/or removal plan. The survey report and tree trimming and/or removal plan shall be submitted for the review and approval of the Waterfront and Economic Development Director and maintained on file as public information. The plan shall incorporate the following:
 - 1. A description of how work will occur (work must be performed using non-mechanized hand tools to the maximum extent feasible).
 - 2. Written notice of tree trimming and/or removal shall be posted and limits of tree trimming and/or removal shall be established in the field with flagging and stakes or construction fencing at least one week before work takes place. The notice and flagging/fencing does not apply to an immediate emergency situation.
 - 3. Steps taken to ensure that tree trimming will be the minimum necessary to address the health and safety danger while avoiding or minimizing impacts to breeding and/or nesting birds and their habitat.
 - b. Prior to commencement of tree trimming and/or tree removal the qualified biologist shall notify in writing the Department of Fish and Game and the U.S. Fish and Wildlife Service of the intent to commence tree trimming or removal.
59. That in the event of a disagreement regarding the interpretation and/or application of these conditions, the issue shall be referred back to the Harbor

Commission for decision prior to the issuance of any permit. The decision of the Harbor Commission shall be final.

60. The Community Development and Waterfront & Economic Development Departments shall be authorized to approve minor changes to any conditions or requirements specified herein. Any significant changes shall be brought back to the Harbor Commission for review and consideration. With regard to the architectural design of the project significant changes shall be defined as changes greater than 10 percent of the architectural treatment of the approved building facades. The Community Development and Waterfront & Economic Development Departments shall be authorized to approve changes deemed necessary to comply with any permit or other requirements imposed by regulatory agencies, including but not limited to, the U.S. Coast Guard, the U.S. Army Corps of Engineers, the U.S. National Marine Fisheries Service, the U.S. Fish and Wildlife Department, the California Coastal Commission, and the California State Lands Commission.
61. That 30 additional 46-foot trailer overflow spaces and 30 shared single car spaces be provided in a satellite location for the boat launch ramp facility to accommodate overflow conditions. Trailer spaces shall be prioritized for vehicles towing trailers.
62. That east/west windows shall be openable to the maximum extent feasible.
63. The Final Tract Map shall reflect the Pacific Avenue Reconnection labeled as "Harbor Drive".
64. That an infrastructure asset maintenance plan shall be presented to the Harbor Commission for review prior to issuance of construction permits.
65. That the applicant shall work with existing tenants to minimize construction disruption of business.
66. In exchange for the City's issuance and/or adoption of the Project Approvals, the Applicant agrees to save, keep, indemnify, and hold harmless the City of Redondo Beach, and its appointed and elected officials, officers, employees, and agents (collectively "City"), from every claim or demand made, including in particular but not limited to any claims brought seeking to overturn the Project Approvals, whether under the California Environmental Quality Act ("CEQA"), the Coastal Act, the Government Code, Redondo Beach City Charter, or other state or local law, including any attorneys' fees or costs which may be awarded to any person or party challenging the Project Approvals on any grounds. In addition, in the event litigation is initiated, Applicant shall have the right, within forty five (45) days of receipt of notice of such litigation, to provide written approval to the City of Applicant's election to reimburse the City for its reasonably incurred attorneys' fees and costs for the defense of such litigation (with counsel of City's choice),

such approval not to be unreasonably withheld, conditioned or delayed. In the event that Applicant makes the foregoing election, Applicant shall reimburse the City for all the City's litigation expenses in connection with such litigation, including but not limited to reasonable attorney's fees, and costs incurred. In the event that the Applicant elects not to reimburse the City for its litigation expenses, the City shall have the right to rescind all approvals or actions related to the litigation, including, but not limited to, certification and approval of any documents prepared pursuant to CEQA, any land use approvals, and any leases or other agreements entered with respect to the Project.

SECTION 5. CUSTODIAN OF RECORDS. The documents and other materials that constitute the record of proceedings on which the Project findings are based are located at the City of Redondo Beach Planning Division, 415 Diamond Street, Redondo Beach, California 90277. The custodian for these documents is the Planning Division.

SECTION 6. The City Clerk shall certify to the passage and adoption of this resolution, shall enter the same in the Book of Original Resolutions.

SECTION 7. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, unconstitutional or unenforceable by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unconstitutional or unenforceable.

PASSED, APPROVED AND ADOPTED this 18th day of October, 2016.



Steve Asper, Mayor

APPROVED AS TO FORM:

ATTEST:



Michael W. Webb, City Attorney



Eleanor Manzano, CME, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that the foregoing Resolution No. CC-1610-099 was duly passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 18th day of October, 2016, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES: BARBEE, HORVATH, EMDEE

NOES: SAMMARCO

ABSENT: NONE

ABSTAIN: NONE

RECUSED: BRAND



Eleanor Manzano
Eleanor Manzano, CMC
City Clerk

Coastal Development Permit Findings Attachment

1. In accordance with Section 10-5.2218 (c) of the Redondo Beach Municipal Code the applicant's request for a Coastal Development Permit is consistent with the criteria set forth therein for the following reasons:
 - a) That the Waterfront Project is in conformity with the Certified Local Coastal Program because it will preserve and enhance public views of the water/marina and increase the on-site public-serving amenities by providing the following: public accessibility from Harbor Drive and the new Pacific Avenue Reconnection/Harbor Drive extension through to the water's edge/marina; a new public promenade with additional resting and viewing opportunities; bicycles racks at numerous locations on the site; landscaping that will create a new aesthetic on the property; and custom designed lighting that will add ambience to the area and make it useable during the evening hours. Most importantly, the Staff Recommended Alternative provides new visitor-serving and local-serving hotel, retail, theater, office, restaurant and event space that is strongly encouraged in the Coastal Land Use Plan. The Project would also be consistent with the FAR, height limits, and permissible uses laid out in in the Coastal Zoning for the CC-1, CC-2, and CC-3 zones. The tables below present the Project's consistency finding with the Coastal Land Use Plan policies, key Coastal Land Use Plan Development Standards, and the Coastal Zoning Ordinance.

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
Section D. Land Use Policies	
<p>Policy 1. Coastal dependent land uses will be encouraged within the Harbor-Pier area. The City will preserve and enhance these existing facilities and encourage further expansion of coastal dependent land uses, where feasible.</p> <p>Removal of existing coastal dependent land uses shall be strongly discouraged unless such uses are determined to no longer be necessary for the functional operation and utility of the Harbor. A public boat launch ramp shall be constructed in association with future development projects within the Harbor area.</p>	<p>The Staff Recommended Alternative maintains and supports or enhances boating and water recreation access, including the provision of a public boat launch ramp as required by Policy 1, reconstruction/ redevelopment of Redondo Beach Marina/Basin 3 (for both recreational and commercial vessels) and modified Seaside Lagoon with year around public access, and it enhances ocean viewing access by providing a enhanced boardwalk along the water's edge, improves vehicle and non-vehicle circulation throughout the site and provides new amenities such as benches and waterside picnicking locations.</p>
<p>Policy 2. New development, additions or major rehabilitation projects within the Harbor-Pier area shall be sited and designed to:</p> <p>a. Preserve and enhance public views of the water from the moles, pier decks, publicly</p>	<p>a. Buildings would be spaced such that view corridors would be provided from Harbor Drive and Czulegar Park, public views would also be available from public plazas, the boardwalk along the water's edge, and the new main street. Views</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
<p>accessible open space and Harbor Drive;</p> <p>b. Provide continuous public access to and along the seaward side of the piers and moles, with the exception of "Pad 2" on the Pier;</p> <p>c. Be consistent and harmonious with the scale of existing development;</p> <p>d. Provide appropriate public-serving amenities such as benches and pedestrian walkways adjacent to the water's edge or the edge of the pier, landscaped rest and viewing areas; and</p> <p>e. Signage shall be erected to identify the public parking and public amenities located on Mole A and Mole B. The signs shall be sufficiently visible to the public, shall be located on the corner of North Harbor Drive at Marina Way and Yacht Club Way, and in front of the existing guardhouse/gate structures located at the entrances to the Moles. Signs shall identify that vehicular access is available to the Moles and that public parking and coastal public amenities are located seaward of the signs.</p> <p>Public Esplanade. A minimum of (12)-foot wide paved public esplanade adjacent to the water's edge shall be provided in conjunction with new development or major reconstruction projects, completing the California Coastal Trail through Redondo Beach. On sites where new development or major reconstruction is not proposed, and where the location of existing buildings makes it infeasible to provide such esplanade adjacent to the water's edge, alternatives for the continuation of the Public Esplanade as a partial or full cantilever over the water with a minimum 10-foot width may be considered through the City's discretionary review process. Any portions of the public esplanade over the water shall be designed to minimize impacts on other marina uses.</p> <p>Consistent with the objectives and policies in a-e above, no permanent building shall be developed on "Pad 1" of the Pier.</p>	<p>from the pier decks would be maintained.</p> <p>b. The Staff Recommended Alternative would provide continuous public access throughout the project site along the water's edge, with the exception of Pad 2 on the Horseshoe Pier as allowed under Policy 2.</p> <p>c. The Staff Recommended Alternative would include the demolition of most of the existing development within the project site to be replaced by new construction which would have a harmonious style and theme that fits within the character of waterfront.</p> <p>d. Public amenities, such as benches, boardwalk along the water's edge, and viewing areas would be provided throughout the site.</p> <p>e. Not applicable – not within the project site boundaries.</p> <p>A continuous boardwalk would be provided to complete the California Coastal Trail through Redondo Beach. The boardwalk would be a minimum of 12 feet throughout within a 2 feet median along each edge and in some areas would be as much as 20 to 30 feet in width.</p> <p>No building would be established on "Pad 1" of the Horseshoe Pier</p>
<p>Policy 3. Allow for the operation and maintenance of the Pier and Harbor area as a commercial recreational asset for the City and region ensuring maximum public access a high-level quality of use and design adequate safety and compatibility with adjacent residential neighborhoods and commercial districts.</p>	<p>The Staff Recommended Alternative would include a mix of commercial and recreational uses intended to integrate public and private needs to reconnect the public with the waterfront, this would include the provision of commercial recreation uses, such as charter sportsfishing, whale watching, and marine recreation equipment</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
	rentals, and enhancing public access and public recreational opportunities to create a revitalized waterfront that supports a variety of uses and is compatible with the surrounding land uses.
<p>Policy 4. Any infrastructure or utility uses located within the harbor area shall be placed below ground unless undergrounding is deemed by the City to be infeasible. Any such uses located above ground within the harbor area shall be screened or buffered to the extent possible.</p>	<p>New and upgraded infrastructure and utilities would be placed below ground as feasible. Should any aboveground features be necessary, they would be screened from sight as feasible, subject to the City's review and approval.</p>
<p>Policy 5. In conformance with the goals and policies of the California Coastal Act maintain a balanced utilization of coastal zone resources including protection and provision of lower cost visitor serving uses and recreational facilities where feasible.</p>	<p>The Staff Recommended Alternative provides for a balance of commercial and recreational uses, including no- and low-cost facilities that would be maintained on-site, such as walking and bicycling paths and boardwalks, public seating for ocean viewing and picnicking, locations for pier fishing, and beach and harbor access at Seaside Lagoon and hand launching of boats.</p>
<p>Policy 6. Maintain and preserve the existing public fishing access areas on the Pier as indicated in Figure 16.</p>	<p>The Staff Recommended Alternative would not alter the existing fishing access area on the Pier areas shown on Figure 16.</p>
<p>Policy 11. The policy of the City is to control storm water runoff and pollution that may cause or contribute to adverse impacts on recreational access to beaches or to other coastal resources such as sensitive habitat areas or coastal waters. All development in the coastal zone public and private shall be in conformance with the storm water standards of the State of California as cited in section 5701101 of the Municipal Code, the Coastal Act and the most recent standards of the Regional Water Quality Control Board with regard to storm water runoff specifically the Standard Urban Storm Water Mitigation Plan. New development or major rehabilitation projects will also be required to conform to any amendment to or re-issuance of these state federal and municipal standards.</p> <p>Pursuant to this:</p> <p>a. All development on the pier and on the first row of lots adjacent to the beach shall comply with the provisions contained in Ordinance No 2851 Stormwater and Urban Runoff Pollution Control Regulations and with applicable state and federal water quality standards for discharges into sensitive habitat areas.</p> <p>b. All development shall be designed to minimize the creation of impervious surfaces and to the maximum extent possible to reduce directly connected</p>	<p>The Staff Recommended Alternative would comply with state, regional, and local stormwater management requirements. This would include implementation of best management practices (BMPs) and Low Impact Development (LID) BMPs. Additionally, the Staff Recommended Alternative would slightly reduce the impervious surface area at the project site and establish an upgraded stormwater system that would incorporate LID techniques such as infiltration and bioretention to reduce the volume and velocity of stormwater runoff.</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
<p>impervious area on the site. Setback areas should remain permeable vegetated or crushed gravel where feasible.</p> <p>c. Plans for new development and redevelopment projects shall incorporate Best Management Practices (BMPs) and other applicable Management Measures contained in the California Nonpoint Source Pollution Control Plan that will reduce to the maximum extent practicable the amount of pollutants that are generated and/or discharged into the City's storm drain system and surrounding coastal waters. BMPs should be selected based on efficacy at mitigating pollutants of concern associated with respective development types or uses. This policy to incorporate BMPs shall also apply to all new or refurbished parking lots accommodating 25 or more cars.</p> <p>d. As part of the implementation of this Land Use Plan Amendment the City shall develop a Public Participation component that identifies methods to encourage public participation in managing development and minimizing urban runoff impacts to the coast. This component should include a public education program designed to raise public awareness about stormwater issues and the potential impacts of water pollution and involve the public in the development and implementation of the City's Stormwater and Urban Runoff Pollution Control Plan.</p> <p>e. It is the intent of the City to pursue opportunities to participate in watershed level planning and management efforts directed towards reducing stormwater and urban runoff impacts to water quality and related resources including restoration efforts and regional mitigation monitoring and public education programs.</p>	
<p>Policy 13. Development in Redondo Beach shall be sited and designed to minimize hazards from wave uprush and from geologic hazards including seismic hazards such as liquefaction.</p> <p>a) New development shall minimize risks to life and property in areas of high geologic, flood, and fire hazard. Development shall assure stability and structural integrity and neither create nor contribute significantly to erosion, geologic instability or destruction of the site or the surrounding areas or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs. Development shall</p>	<p>The Staff Recommended Alternative would include features, such as removal of the International Boardwalk, raising of the elevation of the northern portion of the project site, and enhancement of an existing shoreline protection device which would reduce hazards from wave uprush as well as hazards associated with sea level rise, tsunami risk and flooding. The Staff Recommended Alternative would comply with current building codes and recommendations of a site-specific geotechnical analysis to ensure that risks associated with seismic hazards, including liquefaction, are minimized.</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
<p>proceed only if the Director of the Department of Building and Safety determines that there is sufficient evidence that the structure may be constructed and maintained safely. All development shall employ earthquake resistant construction and engineering practices.</p> <p>b) Development in the Pier and Harbor area shall provide, in advance of approval, erosion and wave uprush studies, based upon projections of the range of sea level rise that can be expected (at rates ranging from 5 to 15 mm/yr) within the reasonable economic life of the structure (normally 75 years). The Director may waive such studies on the basis of information contained in a certified EIR for the Pier and Harbor area, if such EIR includes maps of all areas in the City potentially impacted by storm waves and sea level rise and such maps include elevations of such impacts and estimation of likelihood of such events. All structures shall be sited and designed to minimize destruction of life and property during likely inundation events.</p> <p>c) If the development proposed is located on an existing slope greater than 2:1 or on artificial fill, new construction may be permitted only on the basis of detailed, site specific geologic and soil studies.</p> <p>d) All structures located on fill or on alluvial deposits shall provide analysis of potential for seismic hazards including liquefaction. The design of such structures shall include measures to minimize damage and loss of property from such hazards. All earthquake studies shall also comply with the latest recommendations of the California Geological Survey and the Seismic Safety Commission and shall adhere to all applicable building codes.</p> <p>e) All development located within the tsunami inundation zone as identified by the most recent state or local California Emergency Management maps or, below elevation 15 feet above mean sea level shall provide information concerning the height and force of likely tsunami run-up on the property. The Director may waive this requirement if he or she determines that accurate maps concerning the extent, velocity and depth of likely tsunami run-up is available in a certified EIR that addresses all pier, harbor, and beach areas of the City. The Director shall require all development located within a possible tsunami run-up zone to install, as appropriate, warning systems and other measures to minimize loss of life due to a tsunami.</p> <p>f) With the exception of structures on the moles,</p>	

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
<p>new or substantially reconstructed structures on ocean fronting parcels shall be permitted only if they are sited and designed so that no future shorelines protective devices will be necessary to protect them from storm waves and bluff erosion. The City shall require as an enforceable condition of any permit for such a structure that no shoreline protective structure shall be allowed in the future to protect the development from foreseeable or unexpected bluff erosion or wave uprush.</p>	
<p>Policy 15. Limited Use Overnight Visitor Accommodations including Condominium-hotels, fractional ownership hotels and timeshares.* (<i>*note some non-applicable sections of this Policy are not provided below. To see Policy 15 in its entirety, refer to the LCP</i>)</p> <p>g) Lower cost visitor accommodations shall be protected, encouraged, and where feasible, provided. In the Coastal Zone when demolition of existing lower cost overnight visitor accommodations or when Hotels or Limited Use Overnight Visitor Accommodations are proposed that include high-cost overnight visitor accommodations, an in-lieu fee in an amount necessary to off-set the lack of the preferred lower cost facilities in Redondo Beach shall be imposed. The fee shall be \$30,000 per room that mitigation is required for, and the fee shall be adjusted annually to account for inflation according to increases in the Consumer Price Index U.S. City Average. If as a part of a proposed development all units for which an in-lieu fee would be required are replaced by lower cost overnight visitor accommodations within the Coastal Zone of Redondo Beach, the in-lieu fee shall be waived.</p> <p>An in-lieu fee shall be required for new development of overnight visitor accommodations in the coastal zone that are not low or moderate cost facilities.</p> <p>These in-lieu fee(s) shall be required as a condition of approval of a coastal development permit, in order to provide significant funding to support the establishment of lower cost overnight visitor accommodations within the coastal area of Los Angeles County, and preferably within the City of Redondo Beach's coastal zone. The fee shall apply to 25 percent of the total number of proposed units that are high-cost overnight visitor accommodations or limited use overnight visitor accommodations.</p> <p>An in-lieu fee shall be required for any demolition of existing lower cost overnight visitor</p>	<p>The Staff Recommended Alternative would include a new boutique hotel. The hotel may qualify as high-cost visitor accommodations under Policy 15, in which case, the Staff Recommended Alternative would be required to comply with the in-lieu fee requirement as a condition of the CDP as required by RBMC Section 10-5.811(b)(8).</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
<p>accommodations, except for units that are replaced by lower cost overnight visitor accommodations, in which case the in-lieu fee shall be waived.</p> <p>This in-lieu fee shall be required as a condition of approval of a coastal development permit, in order to provide significant funding to support the establishment of lower cost overnight visitor accommodations within the coastal area of Los Angeles County, and preferably within the City of Redondo Beach's coastal zone. A per-unit fee for the total number of existing lower cost overnight units that are demolished and not replaced shall be required.</p> <p>Where a proposed development includes both demolition of existing low cost overnight visitor accommodations and their replacement with high cost overnight visitor accommodations, the fee shall also apply to the 25 percent of the number of high cost rooms/units in excess of the number being lost.</p>	
<p>Policy 16. Employment, retail, and entertainment districts and coastal recreational areas shall be well served by public transit and easily accessible to pedestrians and bicyclists. Streets, sidewalks, bicycle paths, and recreational trails (including the California Coastal Trail) should be designed and regulated to encourage walking, bicycling, and transit ridership.</p> <p>Large commercial and residential developments shall be located and designed to be served by transit and provide non-automobile circulation to serve new development to the greatest extent feasible.</p>	<p>The Staff Recommended Alternative is located in an area with existing bus routes, as well as an established network of streets, sidewalks, bicycle paths and trails. The Staff Recommended Alternative would enhance connections to the existing access routes off-site and enhance the motorized vehicle and non-motorized vehicle access internal to the project site (including completion of a missing link of the California Coastal Trail).</p>
<p>Policy 17. The Coastal Act definition set forth below is incorporated herein as a definition of the Land Use Plan: "Environmentally sensitive habitat area (ESHA)" means any area in which plant or animal life or their habitats are either rare or especially valuable because of the special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.</p> <p>a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.</p> <p>b) Development within and adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade</p>	<p>There is no ESHA located within the project site.</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
those areas, and shall be compatible with continuance of those habitat and recreation areas	
<p>Policy 18. Ensure the protection of bird nesting habitat protected by the Migratory Bird Treaty Act and the long-term protection of breeding, roosting and nesting habitat of bird species listed pursuant to the federal or California Endangered Species Acts, California bird species of special concern, and wading birds (herons or egrets). The trimming and/or removal of any trees that have been used for breeding and nesting by the above identified species within the past (5) years, as determined by a qualified biologist or ornithologist shall be undertaken in compliance with all applicable codes and regulations of the California Department of Fish and Game, the U.S. Fish and Wildlife Service, and the U.S. Migratory Bird Treaty Act.</p>	<p>As described in Section 3.3 Biological Resources of the EIR, there are no sensitive terrestrial resources locate on-site and any trimming and/or removal of trees within the project site would comply with applicable requirements, including RMBC Section 10-5.1900(h) to ensure that breeding, roosting and nesting habitat of birds would be protected.</p>
<p>Policy 19. Marine resources shall be maintained, enhanced and, where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.</p>	<p>As described in Section 3.3 Biological Resources of the EIR, there are no areas of special biological significance located within the project site and the Staff Recommended Alternative would not damage the biological productivity of coastal waters.</p>
<p>Policy 20. The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.</p>	<p>As described in Section 3.3 Biological Resources and Section 3.8 Hydrology and Water Quality of the EIR, the Staff Recommended Alternative would not result in significant impacts on water quality or biological resources during construction or operation.</p>
<p>Policy 21. The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall only be permitted in accordance with other applicable provisions of this division, where there is no feasible alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:</p> <p>a) New or expanded port, energy, and coastal</p>	<p>The Staff Recommended Alternative would include filling of harbor waters for the small craft boat launch ramp and breakwater, the placement of structural pilings for the pedestrian bridge and replacement piling for the timber portion of the Horseshoe Pier and the Sportfishing Pier. The boat launch ramp, pier reconstruction, and the pedestrian bridge would provide increased public access and recreational opportunities, and as</p>

Consistency with City of Redondo Beach Coastal Land Use Plan Policies

Policy	Consistency Finding
<p>dependent industrial facilities, including commercial fishing facilities.</p> <p>b) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.</p> <p>c) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreation piers that provide public access and recreational opportunities.</p> <p>d) Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.</p> <p>e) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive habitat areas.</p> <p>f) Restoration purposes.</p> <p>g) Nature study, aquaculture, or similar resource dependent uses.</p> <p>Dredging and spoils disposal shall be planned and carried out to avoid significant disruption to marine and wildlife habitats and water circulation. Dredge spoils suitable for beach replenishment should be transported for such purposes to appropriate beaches or into suitable long shore current systems.</p> <p>In addition to the other provisions of this section, diking, filling, or dredging in existing estuaries and wetlands shall maintain or enhance the functional capacity of the wetland or estuary.</p>	<p>discussed in Section 3.3 Biological Resources of the EIR, mitigation measures would minimize significant environmental effects. As such, the filling associated with the Staff Recommended Alternative is consistent with Policy 21.</p> <p>Dredging would be required for opening Seaside Lagoon to harbor waters. The opening of Seaside Lagoon would expand the available recreational opportunities at the lagoon and provide increased public direct access to the harbor. Further, as discussed in Section 3.3 Biological Resources and Section 3.8 Hydrology and Water Quality of the EIR, water quality impacts would be less than significant. As such, the dredging associated with the Staff Recommended Alternative is consistent with Policy 21.</p>

Project Consistency with Coastal Land Use Plan Uses and Key Development Standards

Site Location	Development Standard	Coastal Land Use Plan ^a	Proposed Project	Consistency Finding
<i>Northern Portion</i>				
Seaside Lagoon	Designation Principal Allowable Use^b (as applicable)	P-PRO Parks Recreation and Open Space Parks, open space, recreational facilities, and accessory uses such as restrooms, storage sheds, concession stands, recreational rentals, etc. Public buildings, community centers, public safety facilities, parking lots,	The existing use of the site as a public park would remain. Modifications to the park would include opening the lagoon to harbor waters thereby providing access to	Consistent

Project Consistency with Coastal Land Use Plan Uses and Key Development Standards

Site Location	Development Standard	Coastal Land Use Plan^a	Proposed Project	Consistency Finding
		public utility facilities and similar uses subject to a conditional use permit	canoes, kayaks, paddle boards, and swimmers. The Staff Recommended Alternative would also include expanded accessory uses/structures designed to serve the recreational users and visitors on the site, such as marine recreation products and rentals (e.g., kayaks, paddle boards, wetsuits), beach club, maintenance, public safety, and concessions.	
	Maximum Density/ Intensity	Maximum FAR shall not exceed 0.25	This portion of the project site is approximately 173,467 square feet. The square footage of existing and proposed accessory uses is 14,602 square feet (2,113 existing and 12,489 proposed [the proposed square footage includes enclosure of the existing open air pavilion]), resulting in an FAR of 0.084	Consistent
	Building Height^{c,d}	Maximum of 30 feet and maximum of 2-stories	Proposed buildings would be one story and would be between 18 to 24 feet.	Consistent
East of Seaside Lagoon and North of Basin 3	Designation	CR Commercial Recreation Sub-Area 2a and Sub-Area 2b		
	Principal Allowable Use^b (as applicable)	Public and commercial recreational facilities, including local serving and visitor-serving retail uses, restaurant and other food and beverage uses, hotels, limited use overnight visitor accommodations (except on State Tidelands), multi-purpose private recreational uses (except on State Tidelands), marina and marina-related facilities, entertainment clubs, yachting and boating clubs, public/open space recreational uses, structures and surface parking facilities, and commercial office land uses (subject to some limitations)	Mix of retail and restaurant uses, creative office above the ground floor, specialty cinema, and a parking structure	Consistent
	Maximum Density/ Intensity	Maximum FAR of all buildings in Sub-Area 2 may not exceed 0.35, except FAR bonuses may be permitted as allowed under the Zoning Ordinance for hotels and/or offices above the ground floor, or areas that provide	The Staff Recommended Alternative qualifies for a .15 FAR bonus because it includes offices above the ground floors of Buildings A, B, and D per RBMC 10-	Consistent

Project Consistency with Coastal Land Use Plan Uses and Key Development Standards

Site Location	Development Standard	Coastal Land Use Plan ^a	Proposed Project	Consistency Finding
		<p>high quality amenities or public open space. Maximum FAR with bonuses may not exceed 0.65</p> <p>Future intensity of new development to be determined on a case by case review basis</p>	<p>5.814(a)(1)a, and it qualifies for an additional .15 FAR bonus because it includes the equivalent of 20% (approximately 157,102 square feet) of high quality open space per RBMC 10-5.814(a)(1)b. This allows for a total permissible FAR of .65. The Staff Recommended Alternative would, therefore, be consistent with this requirement as the Project would result in an FAR of .56 in the CC-3 zone.</p>	
	Building Height^e	<p>Sub-Area 2a – maximum of 37 feet, and maximum of two stories, but no more than 50 percent of the cumulative building footprint may exceed one story and 24 feet</p> <p>Sub-Area 2b – maximum of 45 feet and maximum of 3-stories</p>	<p>Sub-Area 2a – one and two story buildings that vary from 21 feet to 37 feet, and less than 50 percent of the cumulative building footprint would exceed one story and 24 feet</p> <p>Sub-Area 2b – two and three-story buildings from 39 feet to 45 feet</p>	Consistent
Southern Portion				
Horseshoe Pier, area south of Basin 3, and International Boardwalk	Designation	CR Commercial Recreation Sub-Area 1a, 1b and 1d		
	Principal Allowable Use^b (as applicable)	Public and commercial recreational facilities – local serving and visitor-serving retail uses, restaurant and other food and beverage uses, entertainment clubs, public open space/recreation, marina-related boating facilities, amusement and arcade facilities, offices for the management and operation of on-site facilities (2 nd floor, Sub-Area 1b only)	Mix of retail and restaurant uses, and creative office above the ground floor	Consistent
	Maximum Density/Intensity	<p>Sub-Area 1a and 1d – must be consistent with development standards in the Zoning Ordinance</p> <p>Sub-Area 1b – limited to leasable space provided for under the Pier Reconstruction Plan, additional ancillary public facilities necessary for operation and maintenance of the pier subject to approval by City Council</p>	<p>As shown in Table 3.9-8 of the EIR, the proposed density/intensity of Sub-Area 1a and 1d is consistent with the Coastal Zoning.</p> <p>Resolution 7404, allows for redevelopment of 22,621 square feet of replacement commercial structures on the portion of the pier that was reconstructed following the 1988 fire. Of the allowable</p>	Consistent

Project Consistency with Coastal Land Use Plan Uses and Key Development Standards

Site Location	Development Standard	Coastal Land Use Plan ¹	Proposed Project	Consistency Finding
			replacement square footage, 10,366 was constructed (Kincaid's), and the remaining 12,255 was not built. Under the Staff Recommended Alternative, approximately 6,600 additional square feet would be reconstructed at Pad 2, which is consistent with the amount of allowable leasable space in Sub-Area 1b.	
	Building Height^{c,d}	Sub-Area 1a and 1b -- maximum of two stories, 30 feet measured above the pier deck or sidewalk grade of International Boardwalk as applicable Sub-Area 1d -- maximum of two stories 40 feet as measured above the pier deck or sidewalk grade of International Boardwalk as applicable	Sub-Area 1a and 1b -- one and two story buildings that vary from 24 to 30 feet Sub-Area 1d --two-story 40 foot building	Consistent
Pier Plaza and Pier Parking Structure	Designation	CR Commercial Recreation Sub-Area 1c		
	Principal Allowable Use^b (as applicable)	Public and commercial recreational facilities -- local serving and visitor-serving retail uses, restaurant and other food and beverage uses, hotel, entertainment clubs, public open space/recreation, marina-related boating facilities, amusement and arcade facilities, commercial and office uses, structured and surface parking	Hotel, retail, restaurant uses, creative office, and a parking structure	Consistent
	Maximum Density/Intensity	FAR of top deck (Pier Plaza) may not exceed 0.35 FAR, except that bonuses (not to exceed 0.65) may be permitted as allowed in the Coastal Zoning for hotels or offices, and public improvement Future intensity of new development to be determined on a case by case review basis	The Staff Recommended Alternative qualifies for a .15 FAR bonus because it includes a hotel above the ground floor of Building P per RBMC 10-5.813(a)(1)a, and it qualifies for an additional .15 FAR bonus because it includes the equivalent of 20% (approximately 47,632 square feet) of high quality open space per RBMC 10-5.813(a)(1)b. This allows for a total permissible FAR of .65. The Staff Recommended Alternative would, therefore, be consistent with this requirement as the Project would result in an FAR of .60 in the CC-2 zone.	Consistent (subject to an allowable FAR bonus)

Project Consistency with Coastal Land Use Plan Uses and Key Development Standards

Site Location	Development Standard	Coastal Land Use Plan ^a	Proposed Project	Consistency Finding
	Building Height^{c,d}	Two-stories, 30 feet measured above sidewalk grade of Pier Plaza	This height would not exceed 30 feet above the existing sidewalk grade of Pier Plaza (top deck of the existing Pier Parking Structure). Buildings would not exceed two-stories from the height of the existing sidewalk grade of Pier Plaza.	Consistent
	Other (setbacks, design, etc. as applicable)	<p>Preserve and enhance public views of the water from moles, pier decks, publically accessible open space and Harbor Drive</p> <p>Provide continuous public access to and along the seaward side of the piers and moles with the exception of Pad 2 on the pier</p> <p>Be consistent and harmonious with the scale of existing development</p> <p>Provide appropriate public serving amenities such as benches, pedestrian walkways adjacent to the water's edge, landscaped rest and viewing areas, etc.</p> <p>A minimum 12-foot wide paved public esplanade adjacent to the water's edge shall be provided</p>	<p>Public views would be available from the public plaza, boardwalk along the water's edge on the seaward side of the hotel, and view corridors would be provided along Harbor Drive, the Pacific Avenue Reconnection, and the new main street.</p> <p>Public access would be provided along the water's edge on the seaward side of the hotel.</p> <p>Benches and viewing locations would be provided along the public plaza and boardwalk along the water's edge on the seaward side of the hotel.</p> <p>A minimum 12-foot wide paved public boardwalk would be provided along the water's edge in front of the hotel.</p>	Consistent
Basin 3				
Water-area of the Redondo Beach Marina	Designation^e		---	
	Principal Allowable Use^b (as applicable)	---	N/A	N/A
	Maximum Density/ Intensity	---	N/A	N/A
	Building Height^e	---	N/A	N/A

Project Consistency with Coastal Land Use Plan Uses and Key Development Standards

Site Location	Development Standard	Coastal Land Use Plan ^a	Proposed Project	Consistency Finding
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Notes

- a. Cumulative development in CR Sub-Areas 1 – 4 may not exceed a net increase of 400,000 square feet of floor area based on existing land use on April 22, 2008. The Staff Recommended Alternative would result in 275,788 square feet of net new development and is thereby consistent with this requirement.
- b. For all land use designations and zoning, permitted uses within the State Tidelands (see Figure 3.9-2) are limited to those uses dedicated to the public trust purposes consistent with state law. Office uses shall not be permitted except for management and operation of on-site facilities, limited use overnight visitor accommodations (e.g., condominium hotels, timeshares, fractional ownership hotels) are not permitted.
- c. Unless specifically noted, height is defined by RBMC Code Section 10-5.402(a)(29).
- d. Architectural elements and screening of mechanical systems such as cooling and heating units, may extend above the roofline, subject to the City's design review and permit approval, however such extensions are permissible under the City's Coastal Zoning.
- e. There are no established land use designations or zoning for the water area.

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
<i>Northern Portion</i>				
Seaside Lagoon (Includes Buildings J, K, M, N, O, and existing restroom building)	Designation	P-PRO		
	Principle Allowable Use ^{b,c} (as applicable)	Parks, parkettes, open space, recreational facilities, public buildings in parks, recreation areas, open space (C), community centers (C), cultural institutions (C), government maintenance facilities (C), government offices (C), public gymnasiums and athletic clubs (C), parking lots (C), public safety facilities (C), public utility facilities (C), and accessory uses, structures	The existing use of the site as a public park would remain. Modifications to the park would include opening the lagoon to harbor waters, providing access to canoes, kayaks, paddle boards, and swimmers. Also includes expanded accessory uses/structures such as marine recreation products and rentals. Parking and a portion of roadway would also be within the park boundary.	Consistent (some uses subject to approval a conditional use permit)
	Maximum Density/Intensity	Maximum floor area ratio (FAR) shall not exceed 0.25	This portion of the project site is approximately 173,467 square feet. The square footage of existing and proposed accessory uses is 14,602 square feet (2,113 existing and 12,489 proposed [the proposed square footage includes enclosure of the existing open air pavilion]): FAR - 0.084	Consistent
	Building Height ^d	Maximum of 30-feet and maximum of 2-stories RMBC does not specify where heights should	Building J – 18.5-feet, one story Building K – 19.5-feet, one story Building M – 18.75 -feet, one story	Consistent

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
		be measured from. Listed heights are measured from the existing grade	Building N – 24 feet, one story Building O – no change to existing height (approximately 18-feet), one story	
	Other (setbacks, design, etc. as applicable)	Setbacks shall be determined as part of the applicable review process	Setbacks vary	Consistent subject to HCDR review
East of Seaside Lagoon and North of Basin 3 (North of Seaside Lagoon - A and B, portion of C; south of Seaside lagoon, portion of Building C, D, E, F, G, H, L)	Designation	CC-3		
	Principle Allowable Use^{b,c} (as applicable)	Bars and night clubs (C), commercial recreation (C), food and beverage sales (C), Hotels (C), marinas and marina-related facilities (C), offices (C) (above the ground floor, unless marine-related, visitor-serving, or for operation of on-site facilities), personal convenience and personal improvement services (C), restaurants (C), recreational equipment rentals (C), retail sales not exceeding 5,000 square feet of floor area, retail sales exceeding 5,000 square feet (C), snack shops, parks, recreation and open space, parking lots (C), public safety facilities (C), recreational facilities (C)	Mix of retail and restaurant uses, creative office above the ground floor, specialty cinema, and a parking structure.	Consistent (some uses subject to approval of conditional use permit)
	Maximum Density/ Intensity	Maximum FAR of all buildings may not exceed 0.35, a maximum FAR bonus of 0.15 percent is allowed on master lease holds or sites that include hotels and/or offices above the ground floor, and for areas that provide public open space totaling at least 20 percent of floor area.	This portion of the project site is approximately 496,170 square feet. The proposed square footage is 276,030 square feet: FAR – 0.56 Approximately 157,102 square feet of public open space eligible for the FAR bonus would be provided. Office space would be provided above the ground floor in Buildings A, B, and D	Consistent (subject to approval of an FAR bonus)

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
		<i>With both FAR bonuses, a maximum FAR of 0.65 is allowed.</i>		
	Building Height^d	<p>South of southerly boundary of Seaside Lagoon, no building may exceed 37 feet and no more than 50% of the cumulative building footprint may exceed 24 feet, no building may exceed 2 stories and no more than 50% of the cumulative building footprint may exceed one story</p> <p>North of southerly boundary of Seaside Lagoon, no building may exceed 45 feet and no building may exceed 3-stories</p> <p>Unless otherwise noted, building heights are measured from the sidewalk grade at Harbor Drive</p> <p>Building L height is measured from pier deck surface</p>	<p>Development south of southerly boundary of Seaside Lagoon (elevations measured from sidewalk grade at Harbor Drive):</p> <p>Building C (portion) – 21-feet, one-story</p> <p>Building D – 34-feet, two-story</p> <p>Building E – 23-feet, one-story</p> <p>Building F – 37-feet, one-story/two-story</p> <p>Building G – 21-feet, one-story</p> <p>Building H – 23-feet, one-story</p> <p>Building L – 24-feet, one-story (measured from pier deck surface)</p> <p>Development north of southerly boundary of Seaside Lagoon (elevations measured from sidewalk grade at Harbor Drive):</p> <p>Building A – 45-feet, three-story</p> <p>Building B – 39-feet, two-story</p> <p>Building C (portion) – 45-feet, two-story</p> <p>Parking Structure - 45-feet</p>	<p>Consistent</p> <p>Architectural features above the height limit are subject to HCDR</p>
	Other (setbacks, design, etc. as applicable)	<p>Setbacks shall be determined as part of the applicable review process</p> <p>A minimum 12-foot wide paved public esplanade adjacent to the water's edge providing continuous public access to and along the waterfront shall be provided</p> <p>Public open space shall have an area totaling at least 10% of the floor area of new development</p> <p>Utilities should be</p>	<p>Setbacks vary</p> <p>A continuous paved public esplanade would be provided along the water's edge, generally 20 – 30 feet in width.</p> <p>There would be approximately 276,030 square feet of building area and approximately 157,102 square feet of public open space. The public open space totals 57% of the floor area of the development.</p> <p>Utilities would be located underground as feasible.</p>	<p>Consistent</p> <p>Setbacks are subject to HCDR review</p>

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
		located underground unless infeasible		
Southern Portion				
Horseshoe Pier, area south of Basin 3, and International Boardwalk (S, T, U, P [portion] and existing restaurant to remain [Kincaid's/ Building R])	Designation	CC-1		
	Principle Allowable Use^{b,c} (as applicable)	Same as CC-3 above, however, personal improvement services and parking lots are not permitted, and government offices are conditionally permitted	Mix of retail and restaurant uses, and creative office above the ground floor	Consistent (some uses subject to approval of a conditional use permit)
	Maximum Density/ Intensity	Development at the Horseshoe Pier is limited to leasable space provided for under the pier reconstruction plan - Resolution 7404 allows for redevelopment of 22,621 square feet of replacement structures following the 1988 fire. Of this 10,366 has been built (Kincaids) and 12,255 square feet has not been built. The International Boardwalk floor area is limited by consistency with other development standards listed in the Zoning Ordinance Cumulative development in all CC zones may not exceed limits established in the Coastal Land Use Plan.	Approximately 7,185 net new square feet would be constructed on the Pier (5,070 square feet of the allowable square footage would remain unbuilt) The International Boardwalk would be demolished and not replaced The Staff Recommended Alternative is consistent with cumulative development cap for CC zones.	Consistent
	Building Height^d	Maximum 30 feet as measured from the top of the pier deck or sidewalk grade, except that building height up to 40 feet may be allowed on Parcel 10 No building may exceed 2 stories (from existing Pier Plaza sidewalk grade/top deck of the parking	Building P portion at Parcel 10 – 40 feet as measured from arcade walk level), one story (with pool and pool deck on top level) Building P portion, outside of Parcel 10 – 30 feet (Height is measured from existing Pier Plaza sidewalk grade/top deck of the parking structure), 2-story from existing Pier Plaza sidewalk grade/top deck of the parking structure (ground floor retail with two-story hotel)	Consistent Architectural features above the height limit are subject to HCDR

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
		structure)	<p>Building S – 24-feet, one-story (Height is measured from top of pier deck)</p> <p>Building T – 30-feet, one-story/two-story (Height is measured from top of pier deck)</p> <p>Building U – 26-feet, one-story/two-story (Height is measured from top of pier deck)</p>	
	Other (setbacks, design, etc. as applicable)	<p>Setbacks shall be determined as part of the applicable review process</p> <p>Public walkways are required adjacent to the water's edge.</p> <p>Utilities should be located underground unless infeasible</p>	<p>Setbacks vary</p> <p>A continuous paved public esplanade provided is along the water's edge</p> <p>Utilities are located underground or along the deck pier as feasible and applicable</p>	<p>Consistent</p> <p>Setbacks are subject to HCDR</p>
Pier Plaza and Pier Parking Structure (P [portion])	Designation	CC-2		
	Principle Allowable Use^{b,c} (as applicable)	Same as CC-3 above, however, marinas and marina-related facilities are not a permitted or conditionally permitted use and government offices are a conditionally permitted use	Hotel, retail and restaurant uses, and a parking structure	Consistent (some uses subject to approval of a conditional use permit)
	Maximum Density/Intensity	<p>Maximum FAR of all buildings may not exceed 0.35, a maximum FAR bonus of 0.15 percent is allowed on master lease holds sites that include hotels and/or offices above the ground floor, and areas that provide public open space totaling at least 20 percent of floor area.</p> <p><i>With both FAR bonuses, a maximum FAR of 0.65 is allowed.</i></p>	<p>This portion of the project site is approximately 210,543 square feet. The square footage of existing and proposed uses is 127,224 square feet (40,488 existing and 95,717 proposed [the existing square footage includes Kincaid's Restaurant and buildings on the Monstad Pier]):</p> <p>FAR - 0.60</p> <p>A hotel is provided above the ground floor, which qualifies for the FAR bonus of 0.15 percent.</p> <p>Approximately 47,632 square feet of public open space eligible for the FAR bonus would be provided.</p>	Consistent (subject to approval of an FAR bonus)
	Building Height^d	Maximum 30 feet above the sidewalk	Building P (portion) – 30 feet (height is measured from the sidewalk grade)	Consistent

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
		grade of Pier Plaza (top deck of the parking structure) No building may exceed 2 stories (from the sidewalk grade of Pier Plaza/top deck of the parking structure)	of Pier Plaza), 2-story from the existing sidewalk grade of Pier Plaza/top deck of the parking structure (ground floor retail with two-story hotel) Parking structure - 30 feet from the existing sidewalk grade of Pier Plaza/top deck of the parking structure	Architectural features above the height limit are subject to HCDR
	Other (setbacks, design, etc. as applicable)	Setbacks shall be determined as part of the applicable review process Public open space shall have an area totaling at least 10% of the floor area of new development. Utilities should be located underground unless infeasible	Setbacks vary There would be approximately 127,224 square feet of building area and approximately 47,632 square feet of public open space. The public open space totals 37% of the floor area of the development. Utilities would be located underground as feasible	Consistent Setbacks are subject to HCDR
Basin 3				
Water-area of the Redondo Beach Marina (no buildings)	Designation^e	N/A		
	Principle Allowable Use^{b,c} (as applicable)	Marinas and boating facilities are allowed in the water portion of the Harbor, subject to a conditional use permit	Existing use of Basin 3 would remain, and the floating dock complex and appurtenant facilities would be replaced similar to the existing configuration	Consistent (subject to approval of a conditional use permit)
	Maximum Density/Intensity	Development standards are determined by the decision making body for a conditional use permit Water areas are not included in FAR calculations	No buildings would be constructed. The marina configuration and number of slips would be similar to the existing configuration	Consistent (subject to approval of a conditional use permit)
	Building Height^d	Development standards are determined by the decision making body for a conditional use permit	No buildings would be constructed	N/A
	Other (setbacks, design, etc. as applicable)	Development standards are determined by the decision making body for a conditional use permit	No buildings would be constructed. The marina configuration and number of slips would be similar to the existing configuration	Consistent (subject to approval of a conditional use permit)
Mole B				
Boat	Designation	CC-4		

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
Launch Ramp Parking Lot (no buildings)	Principle Allowable Use ^{b,c} (as applicable)	Same as CC-3 above	Boat launch ramp and surface parking lot	Consistent (subject to approval of conditional use permit)
	Maximum Density/Intensity	Sub-Area 2 (includes Mole B) Maximum FAR of all buildings may not exceed 0.25, a maximum FAR bonus of 0.15 percent are allowed on master lease holds or sites that include hotels and/or offices about the ground floor, or areas that provide public open space totaling at least 20 percent of floor area	No buildings would be constructed	N/A
	Building Height ^d	Maximum of 30-feet and maximum of 2-stories	No buildings would be constructed	N/A
	Other (setbacks, design, etc. as applicable)	Setbacks shall be determined as part of the applicable review process Public open space shall have an area totaling at least 10% of the floor area of new development Large expanses of asphalt and surface parking should be avoided close to the water's edge, except for parking areas serving boating facilities between Marina Way and Portofino Way Utilities should be located underground unless infeasible	No buildings would be constructed. Surface parking would be provided along the water's edge at the terminus of Marina Way to serve boating facilities. Utilities would be located underground as feasible.	Consistent

Notes

a. Cumulative development in all CC Coastal Commercial zones may not exceed a net increase of 400,000 square feet of floor area based on land use on April 22, 2008. The Staff Recommended Alternative would result in 275,788 square feet of net new development and is thereby consistent with this requirement.

b. For all land use designations and zoning, permitted uses within the State Tidelands are limited to those uses dedicated to the public trust purposes consistent with state law. Office uses shall not be permitted except for management and operation of on-site facilities, limited use overnight visitor accommodations (e.g., condominium hotels, timeshares, fractional ownership hotels) are not permitted.

c. Uses followed by a (C) are permitted subject to approval of a conditional use permit.

d. Unless specifically noted, height is defined by RBMC Code Section 10-5.402(a)(33). As allowed under Section 10-5.1522(b) of the

Site Location	Development Standard	Coastal Zoning ^a	Staff Recommended Alternative	Project's Consistency
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Municipal Code, features such as mechanical equipment and housing, bell towers, flag poles, and architectural design elements integral to the overall design character of a building and intended to distinguish its design may exceed the height limit. Architectural features above the height limit are subject to Harbor Commission Design Review.

e. There are no established land use designations or zoning for the water area.

- b) That the proposed Waterfront Project, which is located between the sea and the first public road paralleling the sea, is in conformity with the public access and public recreation policies of Chapter 3 of Division 20 of the Public Resources Code. As part of that LCP certification process, on July 9, 2009 the Commission approved the City's proposed LCP, subject to the City's adoption of the Coastal Commission's suggested modifications. As noted in the Coastal Commission's Staff Report, the Coastal Commission's actions expressly included a finding that:

"The Commission hereby certifies the Land Use Plan Amendment RDB-MAJ-2-08 for the City of Redondo Beach if modified as suggested and adopts the findings set forth below on the grounds that the Land Use Plan amendment with suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act."¹

Shortly thereafter, the City adopted all of Coastal Commission's suggested modifications. On November 23, 2010, the Coastal Commission noted that "the Redondo Beach City Council adopted Resolutions 3050-10 and 1004-306, incorporating into the LCP the modifications suggested by the Commission pursuant to its approval of LCP Amendment 2-08, and submitted the modifications to the Executive Director for a determination that they are consistent with the Commission's action on July 9, 2009." The Coastal Commission and the Executive Director determined "that the City's action [in adopting the suggested modifications] is legally adequate."⁵⁴² Furthermore, Coastal Land Use Plans are components of the City's General Plan. (Pub. Res. Code Section 30108.5.) As discussed in *Sierra Club v. County of Napa* (2004) 121 Cal.App.4th 1490, "general and specific plans attempt to balance a range of competing interests. It follows that it is nearly, if not absolutely, impossible for a project to be in perfect conformity with each and every policy set forth in the applicable plan. An agency, therefore, has the discretion to approve a plan even though the plan is not consistent with all of a specific plan's policies. It is enough that the Staff Recommended Alternative will be compatible with

¹ Coastal Commission July 9, 2009 Staff Report, Item Th11a (amendment #RDB-MAJ-2-08) available online at: <http://documents.coastal.ca.gov/reports/2009/7/Th11a-7-2009.pdf>. Minutes from this Coastal Commission Meeting are also available online and note that this item was "APPROVED WITH MODIFICATIONS": <http://www.coastal.ca.gov/meetings/mtg-mm9-7.html>.

² Coastal Commission December 2010 meeting Staff Report, Item W13a available online at: <http://documents.coastal.ca.gov/reports/2010/12/W13a-12-2010.pdf>. Minutes available online and note that the action was "APPROVED": <http://www.coastal.ca.gov/meetings/mtg-mmx-12.html>

the objectives, policies, general land uses and programs specified in the applicable plan.”

As shown in the table below, the Staff Recommended Alternative is consistent with the public access and public recreation policies of Chapter 3 of the Coastal Act. Further, as discussed in the Environmental Impact Report Section 3.9, the Staff Recommended Alternative is consistent with the LCP approved by the California Coastal Commission.

Consistency with the Public Access and Public Recreation Policies of Chapter 3 of the California Coastal Act

Section	Consistency Finding
Chapter 3 – Coastal Resources Planning and Management Policies	
Article 2 – Public Access	
<p>Section 30210 Access; recreational opportunities; posting</p> <p>In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.</p>	<p>The Staff Recommended Alternative would enhance existing access to the waterfront and King Harbor by improving public access from the project site, including motorized and non-motorized site access, and by providing improved pedestrian connections to the water throughout the site and an enhanced boardwalk along the water's edge. A signage program showing public access routes would be established. Recreation activities would be expanded and enhanced, including improved public open spaces and walking and bicycle paths, and a modified Seaside Lagoon open to the public year-around that provides hand launch boaters direct access to the harbor and improved concession and accessory uses (such as recreational sales/ rentals).</p>
<p>Section 30211 Development not to interfere with access</p> <p>Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.</p>	<p>The Staff Recommended Alternative would continue to allow access to the waterfront/shoreline and to the sea, specifically King Harbor. The Staff Recommended Alternative would enhance existing access to the waterfront and King Harbor by improving public access from the project site, including motorized and non-motorized site access, and by providing improved pedestrian connections to the water throughout the site. Crosswalks would be provided at several locations to ensure that safe pedestrian/bicycle access would be maintained to access the project site from across the Pacific Avenue Reconnection. The pedestrian bridge would provide a direct connection from the northern and southern portions of the site, which would encourage full pedestrian use of the site.</p> <p>Further, the Staff Recommended Alternative would enhance coastal access by the opening of</p>

Consistency with the Public Access and Public Recreation Policies of Chapter 3 of the California Coastal Act

Section	Consistency Finding
	Seaside Lagoon, allowing hand launch boaters direct access to the harbor. A boat launch ramp would enhance boat access to the harbor.
<p>Section 30212. New development projects:</p> <p>a) Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where (1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources, (2) adequate access exists nearby, or (3) agriculture would be adversely affected. Dedicated accessway shall not be required to be opened to public use until a public agency or private association agrees to accept responsibility for maintenance and liability of the accessway.</p>	<p>The Staff Recommended Alternative includes a new main street and Pacific Avenue Reconnection/Harbor Drive Extension, which would both be the nearest public roadway to the shoreline. There would be improved walkways available from the roadways, and parking locations, that provide direct access to the shoreline, including connections to the boardwalk along the water's edge that extends to Seaside Lagoon, Horseshoe Pier, and connects to the County Beach south of the project site.</p>
<p>Section 30212.5. Public facilities; distribution</p> <p>Wherever appropriate and feasible, public facilities, including parking areas or facilities, shall be distributed throughout an area so as to mitigate against the impacts, social and otherwise, of overcrowding or overuse by the public of any single area.</p>	<p>The Staff Recommended Alternative includes new parking structures on both the northern and southern portions of the site, as well as the existing Plaza parking structure. Surface parking is also available in the northern portion of the site and off-site to the north, south, and east of the site. Other public amenities, such as restrooms, public walkways, seating areas, and bicycle racks are distributed throughout the site. The pedestrian bridge would improve the pedestrian connection between the northern and southern portions of the site and encourage pedestrian use across the site in its entirety.</p>
<p>Section 30213 Lower cost visitor and recreational facilities; encouragement and provision; overnight room rentals</p> <p>Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.</p> <p>The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.</p>	<p>Consistent. No- and low-cost facilities would be maintained on-site, such as walking and bicycling paths and boardwalks, public seating for ocean viewing and picnicking, locations for pier fishing, a reconstructed Sportfishing Pier, and unrestricted beach and harbor access at Seaside Lagoon (some temporary closures of Seaside Lagoon may occur during special events) and hand launching of boats.</p>
<p>Section 30214 Implementation of public access policies; legislative intent</p>	<p>The Master Conditional Use Permit sets site-wide controls such as hours of operation for commercial businesses, hours when amplified</p>

Consistency with the Public Access and Public Recreation Policies of Chapter 3 of the California Coastal Act

Section	Consistency Finding
<p>(a) The public access policies of this article shall be implemented in a manner that takes into account the need to regulate the time, place, and manner of public access depending on the facts and circumstances in each case including, but not limited to, the following:</p> <p>(1) Topographic and geologic site characteristics.</p> <p>(2) The capacity of the site to sustain use and at what level of intensity.</p> <p>(3) The appropriateness of limiting public access to the right to pass and repass depending on such factors as the fragility of the natural resources in the area and the proximity of the access area to adjacent residential uses.</p> <p>(4) The need to provide for the management of access areas so as to protect the privacy of adjacent property owners and to protect the aesthetic values of the area by providing for the collection of litter.</p> <p>(b) It is the intent of the Legislature that the public access policies of this article be carried out in a reasonable manner that considers the equities and that balances the rights of the individual property owner with the public's constitutional right of access pursuant to Section 4 of Article X of the California Constitution. Nothing in this section or any amendment thereto shall be construed as a limitation on the rights guaranteed to the public under Section 4 of Article X of the California Constitution.</p> <p>(c) In carrying out the public access policies of this article, the commission and any other responsible public agency shall consider and encourage the utilization of innovative access management techniques, including, but not limited to, agreements with private organizations which would minimize management costs and encourage the use of volunteer programs.</p>	<p>music is allowed, etc.; other activities, such as special events, require permits that can specify conditions such as regulating time, place, and manner of access; as part of the City's normal operations, it would be assessed if additional controls are needed. As required by under Master Conditional Use Permit, operational plans would be established for certain project features, such as the pedestrian bridge and Seaside Lagoon, which would establish controls as needed to protect public safety, adjacent property owners/lease holders, and aesthetic values.</p>
<p>Article 3 – Recreation</p>	
<p>Section 30220. Protection of certain water-oriented activities</p> <p>Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.</p>	<p>Existing water-oriented activities would be maintained and enhanced where feasible. Enhancements include the opening of Seaside Lagoon to harbor waters and elimination of access restrictions, and a new small craft boat launch ramp. Other uses that would be maintained (though in some cases modified) is</p>

Consistency with the Public Access and Public Recreation Policies of Chapter 3 of the California Coastal Act

Section	Consistency Finding
	hand launching of stand-up paddle boards and kayaks, dinghy tie-up for boats using the transient moorage, accommodations for tourist/charter vessels and watercraft rentals, and replacement of the Sportfishing Pier. Walking along the water's edge and activities such as ocean-viewing and photography would be maintained and enhanced by the expanded boardwalk along the water's edge, new seating and new high quality public open space.
<p>Section 30221 Oceanfront land; protection for recreational use and development</p> <p>Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.</p>	<p>The Staff Recommended Alternative includes a mix of commercial and recreational (public and private) uses at the project site. Opportunities for active and passive recreation are maximized near the water's edge and seaward of the new main street, while the larger commercial buildings and parking facilities are generally located landward of the new main street.</p>
<p>Section 30222 Private lands; priority of development purposes</p> <p>The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.</p>	<p>Not applicable.</p> <p>Site is on land owned or controlled by the City.</p>
<p>Section 30222.5 Oceanfront lands; aquaculture facilities; priority</p> <p>Oceanfront land that is suitable for coastal dependent aquaculture shall be protected for that use, and proposals for aquaculture facilities located on those sites shall be given priority, except over other coastal dependent developments or uses.</p>	<p>Not applicable.</p> <p>Site is located on harbor waters and not suitable for coastal dependent aquiculture.</p>
<p>Section 30223. Upland areas</p> <p>Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.</p>	<p>By retaining and expanding upland uses such as retail, restaurant, creative office, theater and hotels, visitors to the harbor participating in passive and active coastal recreation opportunities would have a more complete amenity package complementing coastal recreation uses. Further, the upland commercial uses would improve the overall economic viability of the site, which would help provide for maintenance and infrastructure and other improvements that support the site as a whole, including coastal recreational uses.</p>
<p>Section 30224. Recreational boating use; encouragement; facilities</p>	<p>The Staff Recommended Alternative includes a new boat launch ramp facility, as required by the</p>

Consistency with the Public Access and Public Recreation Policies of Chapter 3 of the California Coastal Act

Section	Consistency Finding
<p>Increased recreational boating use of coastal waters shall be encouraged, in accordance with this division, by developing dry storage areas, increasing public launching facilities, providing additional berthing space in existing harbors, limiting non-water-dependent land uses that congest access corridors and preclude boating support facilities, providing harbors of refuge, and by providing for new boating facilities in natural harbors, new protected water areas, and in areas dredged from dry land.</p>	<p>City's LCP. The boat launch facility would be a combination boat launch/hand launch and hoist launch facility. Additionally, the Staff Recommended Alternative includes the reconstruction of Redondo Beach Marina/Basin 3 with a similar configuration and number of slips.</p>

- c) That the decision-making body has complied with any CEQA responsibilities it may have in connection with the project and in approving the proposed development, the decision-making body is not violating any CEQA prohibition that may exist on approval of projects for which there is a less environmentally damaging alternative or a feasible mitigation measure available. The project has been evaluated for environmental impacts through the preparation of an Initial Environmental Study and an Environmental Impact Report which details all of the required feasible mitigation measures and conditions that shall be incorporated into the project.

EXHIBIT C



Community Development Department
Planning Division

415 Diamond Street, P.O. Box 270
Redondo Beach, California 90277-0270
www.redondo.org

tel 310 318-0637
fax 310 372-8021

June 23, 2016

CenterCal Properties, LLC
1600 E. Franklin Ave. #1400
El Segundo, CA 90245

Dear Applicant,

The City of Redondo Beach has reviewed your application for Vesting Tentative Tract Map No. 74207, and has deemed it complete, pursuant to the Permit Streamlining Act (Government Code § 65920 et seq.).

Consideration of Vesting Tentative Tract Map No. 74207 will be given at a duly noticed public hearing before the City of Redondo Beach Harbor Commission.

Regards

Aaron Jones
Community Development Director

EXHIBIT D



Administrative Report

Council Action Date: September 4, 2018

To: MAYOR AND CITY COUNCIL

From: MIKE WITZANSKY, ASSISTANT CITY MANAGER
JOHN LA ROCK, COMMUNITY SERVICES DIRECTOR

Subject: APPROVE AN AMENDED AND RESTATED AGREEMENT FOR SPECIAL EVENT SERVICES AND REVOCABLE LICENSE FOR THE USE OF REAL PROPERTY WITH SANFORD VENTURES, LLC, FOR OPERATION OF BI-ANNUAL LIVE MUSIC FESTIVALS AT SEASIDE LAGOON AND AN AGREEMENT TERM OF SEPTEMBER 4 2018 THROUGH JUNE 30, 2029, WITH A 5 YEAR MUTUAL OPTION TO EXTEND

RECOMMENDATION

STAFF RECOMMENDATION:

- 1) APPROVE AN AMENDED AND RESTATED AGREEMENT WITH SANFORD VENTURES, LLC, FOR OPERATION OF BI-ANNUAL LIVE MUSIC FESTIVALS AT THE SEASIDE LAGOON AND MARINA PARKING LOT FOR THE TERM SEPTEMBER 4, 2018 THROUGH JUNE 30, 2029, WITH A 5 YEAR MUTUAL OPTION TO EXTEND; AND
- 2) AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT ON BEHALF OF THE CITY

EXECUTIVE SUMMARY

City staff members have negotiated an amended and restated agreement for special event services and revocable license for the use of real property with Sanford Ventures, LLC, for the creation and operation of bi-annual live music and entertainment special events to be located at the Seaside Lagoon and adjacent Marina parking lot.

Under the terms of the agreement, the twice a year special events would be installed and operated by Sanford Ventures, LLC, and would include a three day, ticketed live music and cultural community event, to be scheduled in April/May and September/October of each year for the next ten fiscal years. Sanford Ventures will pay the City an annually escalating facility fee for use of Seaside Lagoon and Marina parking lot, and will be responsible for the costs of installing, operating, marketing, maintaining and securing the event. Sanford Ventures will reimburse the City for Public Safety and other municipal services in support of the event. The City will provide staff for inspections, City-oriented logistics, and venue access.

The attached agreement with Sanford Ventures, LLC is for the period September 4, 2018 through June 30, 2029 and includes a mutual option for an additional five year term.

BACKGROUND

On June 27, 2017, the Mayor and City staff convened a series of meetings to explore a special event concept proposed by Allen Sanford, representing Sanford Ventures, LLC. Mr. Sanford is a partner in multiple restaurant and entertainment venues in the South Bay. The proposed special event would be comprised of a bi-annual live music, cultural and entertainment event catering to the local South Bay and its community. The three day events would feature headline contemporary music entertainment performing on two stages in an alternating schedule. The events would also feature specialty food, beverage, and related attractions. The projected cumulative attendance for the three day event would be 7,000 ticketed guests. An agreement to assign logistical responsibilities among the parties as well as to schedule the appropriate dates at the Seaside Lagoon and Marina parking lot was approved by the City Council at their meeting on December 19, 2017.

Following the approval of the 2017 agreement, Mr. Sanford reported a necessary delay for the scheduling of the inaugural event, due to professional concerns elsewhere. Additionally, the City and Mr. Sanford each requested new language to be incorporated into an amended and restated agreement to reset the term of the license for festival events, to clarify the ability of Mr. Sanford's company, Sanford Ventures, to engage in partnerships for the purpose of capitalizing and operating the events, and to specify the nature of the agreement as a license for the purposes of presenting events, and not a lease of real property.

Under the amended and restated agreement, Sanford Ventures would provide a bi-annual live music special event at the site commencing in the spring of 2019 and subsequently each April/May and September/October for the next ten years through 2029. The agreement includes a mutually agreeable five year extension through 2034.

The operating hours for the three day special event would commence no earlier than 11:00 a.m. each day, and would cease all amplified sound no later than 9:00 p.m. on Friday's and Saturday's, and no later than 8:00 p.m. Sunday's through Thursday's.

The amended and restated agreement with Sanford Ventures is structured to cover the special event and business terms negotiated by staff, including payments to the City, term of service, Sanford Ventures responsibilities and City responsibilities. Specific details

such as event dates, performing artists, vendors, exhibitions, etc., would be addressed through the City's Special Event Application process. Sanford Ventures would be required to coordinate with the City and schedule the necessary dates to produce each special event at least twelve (12) months prior to any contemplated special event date(s). City staff would evaluate the program on an annual basis in order to maximize City oversight for the purpose of mitigating any community impacts.

The agreement establishes an escalating facility use fee. With the commencement of the agreement, Sanford Ventures would pay the City \$9,265 for each day the special event is in operation for the public, expected to be a three day public event. The facility use fee is based on the master fee schedule rental rate for the Seaside Lagoon combined with a parking revenue factor at the Marina parking lot. The facility use fee would be increased by three percent (3%) for each subsequent year of the special event. The City would not charge Sanford Ventures a facility rental fee for the dates needed to install or deconstruct the special events. This fee structure would enable Sanford Ventures to establish the special event within the music and entertainment industry as well as in the local community.

Sanford Ventures would be responsible for all costs of installing and operating the live music special event, including the metered use of pre-existing City water and electrical services at the event location.

In addition to the facility rental charges and utility usage reimbursements, Sanford Ventures would also reimburse the City for additional municipal services, including but limited to, Police, Fire, Public Works, etc. The municipal services reimbursement would be \$36,000 per three-day special event, or \$72,000 per year. The parties agree to negotiate in good faith regarding the public safety needs for the special events and any commensurate increase in the municipal services reimbursement amount. The municipal services reimbursement amount would increase by five percent (5%) each year during the mutually agreeable five year extension term of April/May, 2030 through September/October, 2034, provided the extension is activated.

Sanford Ventures, LLC Music Festival Agreement

The general terms outlined in the agreement between the City and Sanford Ventures, LLC are listed below:

Obligations of Sanford Ventures, LLC:

- Sanford Ventures will install and operate a three day live music and entertainment event at the Seaside Lagoon and the Marina parking lot, beginning in October, 2018 and continuing each April/May and September/October (dates to be determined with City) through 2022. At the end of the five-year term, the agreement may be extended for an additional five years by mutual agreement of the parties. Specific program elements such as marketing, types of attractions, food and beverage vendors, etc., will be established in a Special Event application that Sanford Ventures will submit to the City every year.
- Sanford Ventures will pay the City an annual facility use fee as follows:
 - 2019 Spring & Fall Events \$55,590
 - 2020 Spring & Fall Events \$57,258
 - 2021 Spring & Fall Events \$58,975
 - 2022 Spring & Fall Events \$60,745
 - 2023 Spring & Fall Events \$62,567
 - 2024 Spring & Fall Events \$64,444
 - 2025 Spring & Fall Events \$66,377
 - 2026 Spring & Fall Events \$68,369
 - 2027 Spring & Fall Events \$70,420
 - 2028 Spring & Fall Events \$72,532
 - (Annual amounts reflect 6 days of public event activity each year)
- Sanford Ventures will pay the City an annual municipal services fee as follows:
 - 2019 Spring & Fall Events \$72,000
 - 2020 Spring & Fall Events \$72,000*
 - 2021 Spring & Fall Events \$72,000*
 - 2022 Spring & Fall Events \$72,000*
 - 2023 Spring & Fall Events \$72,000*
 - 2024 Spring & Fall Events \$72,000*
 - 2025 Spring & Fall Events \$72,000*
 - 2026 Spring & Fall Events \$72,000*
 - 2027 Spring & Fall Events \$72,000*
 - 2028 Spring & Fall Events \$72,000*
 - (*estimated)
- Sanford Ventures will be responsible for all costs and expenses associated with the performance of the agreement, except those noted under "Obligations of City."
- Sanford Ventures will be responsible for the special event venue design, engineering, and location mapping, as well as the procurement, construction, installation and set-up of all materials, equipment and furnishings necessary to conduct the special events. No furnishings or fixtures will be permanently affixed to the site. Sanford Ventures will provide all connections to City electrical power and water supplies at the venue location.
- Sanford Ventures will provide one or a combination of the following:
 - A temporary barrier and/or fence around the standing water area of the Seaside Lagoon; or

- A temporary deck over the standing water area of the Seaside Lagoon for the public's use.
- Sanford Ventures will be responsible for all maintenance, supervision and security of the site during the operating hours of each special event, except for the municipal services listed under "Obligations of the City."
- Sanford Ventures will be responsible for the provision of all necessary personnel in connection with each special event.
- Sanford Ventures accepts the premises in "as is" condition, and the City will not be required to make any alterations or improvements. At the end of each event, Sanford Ventures will restore the site to its pre-existing condition.
- Sanford Ventures shall have the first right of refusal to rent available transient moorings in King Harbor during the Festival
- Sanford Ventures will comply with all federal, state and local laws, statutes, ordinances, park rules, etc., including the City noise ordinance.
- Sanford Ventures will meet all of the City's insurance requirements.
- All proceeds from the operation of the special event and from related sponsorship agreements belong to Sanford Ventures.
- Sanford Ventures will retain ownership and copyright of all special event content, including but not limited to digital, broadcast and recordings.

Obligations of the City:

- The City will waive the application fees customarily charged for special events. (This does not exclude the facility use fee.)
- The City will provide any and all municipal services required to ensure a safe and secure special event and for the well-being of the community during the special events.
- The City shall provide a maximum public occupancy for the special event venue which is comprised of the Seaside Lagoon and Marina parking lot.
- The City will provide access to the restrooms inside the Seaside Lagoon.
- The City will provide access to a metered water source sufficient to meet the needs of each annual event. Sanford Ventures will reimburse the City for all water charges incurred during each special event.
- The City will provide access to a metered electrical power source sufficient to accommodate the electrical needs of the special event. Sanford Ventures will reimburse the City for all electrical charges incurred during each special event.
- The City will advertise the special events on its website, newsletter, street banners, social media accounts, and in all other manners available to the City.
- The City will provide a staff liaison to assist Sanford Ventures with reservation of facility dates, completion of the annual Special Event Application, promotional activities, procurement of permits and interface with City departments.
- The City acknowledges that the Producer intends to partner with Beachlife LLC and other possible future legal entities in order to finance and operate the Festival. The obligations and rights of the license shall remain with the Producer unless approved by the City for assignment, transfer or conveyance. Any entity that partners with the Producer for Festival purposes must adhere to the terms and conditions of the license.

It should be noted that the agreement includes termination language which includes a clause providing each party with thirty days written notice to the other party to terminate the agreement if the other party breaches any provision of the agreement and fails to cure the breach within thirty days of such notification. Additionally, the City Council may cancel the special event having determined that it would create significant community impacts or concern. In the event of this action by City Council, the City would use its reasonable best efforts to provide Sanford Ventures with a generally equivalent venue for the special event as described that would mitigate the community impacts or concerns at no additional facility use fee, subject to availability. Equivalent venues have been identified at Veterans Park and Aviation Park/Performing Arts Center.

COORDINATION

City Manager's office coordinated with the City Attorney's Office, the Police and Fire Departments, and all City Departments to negotiate this agreement.

FISCAL IMPACT

The City will receive a venue rental fee as well as a municipal services reimbursement for each special event under the agreement. The City may incur costs in excess of the total municipal services reimbursement. Funding for these potential costs are available in the 2018-19 FY Harbor Tidelands Fund.

FY 2018-19 REVENUE

FY 2018-19 EXPENSES

Venue Rental Fees	\$ 55,590	To Be Determined
Municipal Services Reimbursement	\$ 72,000	
TOTAL	\$127,590	TBD

SUBMITTED BY:

MIKE WITZANSKY, ASSISTANT CITY MANAGER JOHN LA ROCK, COMMUNITY SERVICES DIRECTOR

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS:

- *Amended and Restated Agreement for Entertainment Services*
- *Original Agreement for Entertainment Services 12-19-2017*

**AMENDED AND RESTATED AGREEMENT FOR SPECIAL EVENT SERVICES AND
REVOCABLE LICENSE FOR THE USE OF REAL PROPERTY**

Agreement for Special Event Services ("Agreement") between the City of Redondo Beach, a municipal corporation ("City") and Sanford Ventures Inc, a California Corporation ("Producer")

RECITALS

- A. City believes it is in the best interest of the community to foster public-private partnerships to provide for entertainment events at the Waterfront and the Seaside Lagoon.
- B. Producer desires to plan, coordinate, install, manage and supervise music centered multi-day special events ("Festival") in accordance with the terms and conditions of this Agreement.
- C. Producer also intends to partner with Beachlife LLC and other legal entities for the purpose of financing, creating and managing the Festival. These partnerships shall not supersede the duties and responsibilities of Producer as per this agreement.
- D. City and Producer desire to cooperate in the creation and promotion of a live series of "signature lifestyle music festivals".
- E. City desires to grant to Producer a revocable license for the nonexclusive use of the specified real property for the Festivals.
- F. On December 19, 2017, the parties entered into an agreement entitled, "Agreement for the Special Event Services and Revocable License for the Use of Real Property" (herein after referred to as the "Initial Agreement"). The Parties now desire to terminate the Initial Agreement and intend this Agreement to be the controlling agreement between the Parties. Accordingly, the Initial Agreement shall be of no force and effect and shall be superseded by this Agreement upon the execution thereof.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Term of Agreement. Unless terminated pursuant to Section 10 below, the term of this Agreement shall commence September 4, 2018 and terminate June 30, 2029. Following completion of the initial term, this Agreement may be extended for another five (5) year period upon mutual agreement by the City and Producer.

2. Intellectual Property. Producer shall have the right to name the Festival in its sole and absolute discretion (except that no profanity or other offensive language may be used) and to change the name of the Festival or its events from time to time. Producer may include the term "Redondo Beach" and/or "South Bay" in the title. Any name, logo, slogan, or any other intellectual property created and utilized in connection with the Festival shall be and remain the sole and exclusive property of the Producer. It is further anticipated and understood that the Producer may or will create audio and visual reproductions of the Festival and the performances and that Producer shall also retain sole and exclusive



rights to all such productions and reproductions in any form. Producer warrants that all applicable rights and clearances to reproduce and/or distribute Festival content is the sole responsibility of Producer. Producer shall have no obligation to pay any license fees or royalties of any kind to the City in connection with the use of the Intellectual Property created. Producer shall provide appropriate credit to the City as venue/host/co-producer on all secondary audio/video reproductions.

3. Obligations of Producer.

(a) Generally. During the term of this Agreement, Producer agrees to plan, promote, coordinate, install, manage and supervise an event consisting of the presentation and operation of a live multi-day music festival (hereinafter the "Festival") and other approved ancillary activities associated therewith. The Festival shall be conducted in the entire City owned Seaside Lagoon as well as the City owned Marina parking lot adjacent to the Seaside Lagoon facility as depicted in the map attached as Exhibit "A" (hereinafter the "Premises"). The City and Fire Department shall work with Producer to define a maximum occupancy available at the Premises in accordance with the local and State fire code. Additionally, the Premises shall be subject to reasonable pedestrian, bicycle and vehicle ingress and egress conditions and other mutually agreeable siting requirements identified by the City's Traffic Engineer to ensure public safety. This agreement allows for the production of a maximum of two Festivals per year.

(b) Festival. The Festival shall be conducted in accordance with all terms and conditions of this Agreement as well as any other conditions or requirements to be set forth in or arising from the Producer's completion of a "City of Redondo Beach - Application for Special Event" (the "Application"). All representations, warranties or covenants made by the Producer in the Application as well as any other conditions or requirements prescribed by the City in the Application shall be incorporated into and become a part of this Agreement unless otherwise specifically set forth herein. The programmatic details of the Festival shall comport with the Application and shall be coordinated with the City Manager and/or his designee (the Community Services Director). The Festival shall include: (i) multiple programmed stages of live music to allow for performances that will occur throughout the Hours of Festival Operation; (ii) food, beverage, and alcoholic beverage service operations throughout the site subject to Police Department and State ABC Department requirements; (iii) sales of merchandise related to the performances and attractions at the Festival; (iv) other artistic, culinary, and lifestyle exhibits as deemed appropriate by the Producer. Producer shall use best efforts to not permit smoking, drugs or drug paraphernalia, vaping, weapons, or any other activity prohibited by the City's park rules and regulations and as enforced by the City. Notwithstanding the foregoing, the City shall retain all rights to enforce any and all applicable City rules and regulations as needed.

(c) Costs and Expenses. Except as otherwise set forth below in Section 4 (Obligations of City), the Producer shall be responsible for all costs and expenses associated with the performance of this Agreement and production of the Festivals.

(d) Facility Use Fee. For the Producer's use of the Premises the City shall receive \$9,265 per day when the Festival is in operation for the public. The Facility Use Fee is separate from and in addition to the reimbursement expenses described in Section 4 below. The Facility Use Fee will be increased by three percent (3%) each year of Festival Production. Producer shall remit the Facility Use Fee to the City



thirty days (30) prior to the Festival. Producer shall retain the option to buy-out up to forty-five (45) public parking spaces in the Marina parking lot, depicted in Exhibit "A", for \$720 per day.

(e) Installation of Equipment. Except as otherwise set forth below in Section 4 (Obligations of City), the Producer shall be responsible for the procurement, construction, installation and set-up of all materials, equipment and furnishings necessary to operate the Festivals, including, but not limited to: connections to existing City electrical power, connections to existing City water, leveling topography and fencing. The Producer shall install all equipment and build and disassemble the festival site and ensure the Premises is restored to its prior condition. The City and Producer shall collectively determine the allowable work hours for the installation and disassembly of the Festival(s). All equipment and materials supplied by the Producer are and will remain the Producer's personal property and shall be removed from the Premises by the Producer upon completion of the Festival(s). No furnishings or fixtures shall be installed in such a manner as to become permanently affixed to the Premises without prior written consent of the City Manager. All construction, installation and set-up on the Premises shall be completed by the Producer in accordance with all City engineering, building and safety requirements.

(f) Management of the Festivals. The Producer shall provide professional management and operation services including employing a general manager, assistant manager, supervisors, stage production, ticketing, security personnel, and other necessary personnel. The Producer shall further provide for management of the day-to-day functions of the Festival(s) including operating personnel, the quantity of which shall be based upon attendance levels subject to industry standards. The City and Police Chief shall approve all security plans, and the City may, in its sole discretion, require a ratio of security personnel to Festival attendees in accordance with industry standards.

(g) Maintenance, Supervision and Security of Premises. Except as otherwise set forth below in Section 4 (Obligations of City), the Producer shall be responsible for all custodial and maintenance of the Premises during each Festival, including the provision of all restroom materials and supplies, as well as the supervision and security of the Festival and other areas of the Premises where the Producer is operating and/or providing ancillary activities. The Producer is responsible for the provision of all necessary personnel in connection with the Festival and acknowledges that the City will not be providing personnel for such purposes. In the event the Producer fails to maintain the Premises or otherwise fails to correct any dangerous or unsanitary condition within twenty-four (24) hours after being notified by the City to do so, the City may remedy the condition at the Producer's expense. In the event there is an imminently dangerous condition and Producer is unable to correct it immediately, the City may remedy the condition immediately. Producer shall provide for access to the restaurant zone within the Festival perimeter currently occupied by Ruby's Diner for all days of the Festival, including the time during its installation and take down. Said access shall include, but not be limited to, the Americans with Disabilities Act, pedestrian, non-motorized, delivery and sanitation requirements.

(h) Days and Hours of Festival Operation. The specific days and hours of operation for each Festival shall be coordinated with the City Manager and/or his designee (Community Services Director). Notwithstanding the foregoing, the Festival shall be in operation for up to three consecutive days per Festival, opening no earlier to the public than 11:00 a.m., and ceasing all amplified sound no later than 9:00 p.m. on Fridays and Saturdays, and 8:00 p.m. Sunday through Thursday. Building and production loading for the Festival will require seven to ten (7-10) days prior to Festival operations; production load-out will require three (3) days after Festival operations, subject to City approval, coordination and



scheduling. Producer shall have priority as to use of the Premises and shall notify the City of dates selected for the Festival at least twelve (12) months prior to the date of the Festival. The City shall not schedule any festivals (rental events for public sale comprised of multiple consecutive days) with live music thirty (30) days prior to the commencement of Festival load-in or the completion of Festival load-out.

(i) Condition of Premises. The Producer accepts the Premises in "AS-IS" condition and City shall not be required to make any alterations, improvements or repairs therein or thereon to accommodate use of the Premises by the Producer. The Producer shall not make any permanent changes or alterations to the Premises without City's prior written consent. Any such approved changes or alterations shall be completed at the sole expense of the Producer, unless mutually agreed upon by City and Producer. Upon completion of the Festival, or upon any other termination or expiration of this Agreement, Producer shall remove all materials, equipment, furnishings and other personal property from the Premises and shall restore the Premises to the same condition as existed immediately prior to the change or alteration.

(j) Provision of Public Restrooms. Producer shall provide portable public restrooms for the Festival at Producer's expense in sufficient number to avoid lengthy lines and restroom wait periods.

4. Obligations of City.

(a) Waiver of Special Event Application Fees. City shall waive the Application fees customarily charged to event holders (not including any facility use fee, utility fee or public safety fee set forth in Section 3(d) above and Sections 4(d) and 4(e) and 4(g)(5) below).

(b) Premises. City shall supply the physical space for the live music festival as depicted in Exhibit "A". In the event the Festival location as identified in Exhibit "A" is rendered unusable by City or other governmental agency action, or by an unforeseen natural disaster or Act of God, City and Producer shall attempt to identify alternate locations in good faith, subject to availability, to relocate the Festival.

(c) Access to Transient Moorings. City shall provide Producer with the first right of refusal to rent available transient moorings in King Harbor during the Festival(s).

(d) Provision of Electrical Power Source by City. City shall provide access to a metered electrical power source at the metered source point in Seaside Lagoon sufficient to accommodate the electrical needs of the live music festival as provided in advance by the Producer. The Producer shall reimburse the City for all electrical charges attributed to such dedicated meter during the term of each Festival.

(e) Provision of Water Source by City. City shall provide access to a water source sufficient to accommodate the water needs of the Festival. The Producer shall reimburse the City for all water charges incurred on the Premises during the term of each Festival.

(f) Access to Seaside Lagoon Restrooms. The City shall provide access to the public restrooms inside Seaside Lagoon for use during the term of each Festival. All custodial services and restroom materials and supplies needed during the term of each Festival shall be provided by the Producer.

(g) Cooperation and Promotion by City. City agrees to use its good-faith efforts to



cooperate with Producer in the facilitation and promotion of the Festival, including but not limited to the following:

- (i) City will reasonably advertise the Festival on its website, City on-line newsletter and other applicable City brochures and flyers.
- (ii) Upon request, City will provide the Producer with a letter confirming official support of the Festival.
- (iii) City will provide a staff liaison to advise and coordinate with the Producer regarding certain Festival requirements such as completion of the Application, procurement of applicable insurance (including the opportunity to purchase City-sponsored coverage to the extent of its continued availability), promotional activities, satisfaction of applicable City permit requirements, and facilitation with other City departments to discuss programmatic issues.
- (iv) City will allow use of three (3) over the street banner placements and other city-owned promotional assets to Producer for a two week period at no charge for the term of each Festival.
- (v) The City shall provide Police and Fire Department support and additional municipal services as needed to the Festival based upon mutually agreeable parking, security, access, Festival buildings and structures and emergency response plans. The Producer shall reimburse the City for any municipal services provided up to a maximum of seventy two thousand (\$72,000) dollars per year, or for every two (2) festivals. The City shall invoice the Producer for municipal services provided and Producer shall remit the municipal services reimbursement amount to the City thirty days (30) following the Festival. Any municipal services provided by City in excess of seventy two thousand (\$72,000) dollars per year will not be entitled to reimbursement from Producer. City and Producer shall negotiate in good faith to determine the necessary municipal services required for future Festivals and the commensurate reimbursement to City for said municipal support. If the term of the agreement is extended, the seventy two thousand (\$72,000) dollar municipal services reimbursement maximum will be increased by five (5%) percent each additional year of Festival Production.

5. Permits and Licenses. The Producer shall, at their own expense, procure and keep in force, with respect to any annual Festival, all necessary permits and licenses from all government agencies having jurisdiction over the Festival.

6. Taxes. The Producer will be obligated to pay all federal, state and local taxes arising from the services provided under this Agreement.

7. Subcontractors. City acknowledges that the Producer will subcontract with other entities to perform certain services with respect to the Festival. The Producer shall cause all subcontractors to



comply with federal, State, and local laws, statutes, ordinances, rules and regulations with respect to the services provided in conjunction with this Agreement.

8. Indemnification.

(a) By Producer. To the fullest extent permitted by law, the Producer shall indemnify, defend and hold harmless City and its officers, employees, elected and appointed officials and volunteers from and against any and all claims, demands, causes of action, lawsuits (whether at law or equity or both), proceedings, liabilities, losses, damages, expenses or costs (including without limitation attorneys' fees and costs and expert witness fees), judgments, penalties, and liens of every nature arising or claimed to arise directly or indirectly, out of (i) the use or possession of the Premises by the Producer or any of its directors, officers, employees, contractors, vendors, consultants or volunteers; (ii) the Producer's planning, coordination, management, supervision or performance of any Festival in conjunction with this Agreement; (iii) any other willful, reckless or negligent act or omission of the Producer or any of its directors, officers, employees, contractors, vendors, consultants or volunteers; or, (iv) the Producer's failure to comply with any law, excepting, however, any claims, demands, causes of action, lawsuits (whether at law or equity or both), proceedings, liabilities, losses, damages, expenses or costs caused by the sole negligent acts or willful misconduct of the City. This indemnity provision shall survive the termination of this Agreement.

(b) By City. To the fullest extent permitted by law, City shall indemnify, defend and hold harmless Producer and its directors, officers, agents, members, managers and employees from and against any and all claims, demands, causes of action, lawsuits (whether at law or equity or both), proceedings, liabilities, losses, damages, expenses costs (including without limitation attorney's fees and costs and expert witness fees), judgments, penalties, and liens of every nature arising or claimed to arise directly or indirectly, out of the sole negligent act or willful misconduct of the City or any of its officers, employees, elected and appointed officials and volunteers.

9. Insurance.

(a) The Producer shall maintain, at a minimum, Commercial Liability with minimum requirement of One Million and No/ 100 Dollars (\$1,000,000) combined single limit Bodily Injury and Property Damage per Occurrence and Commercial Excess Liability Insurance in the amount of Five Million and No/ 100ths Dollars (\$5,000,000). Furthermore, the Producer will be responsible for the preparation of the text for signage for operating procedures, rules and regulations of the Festival and liability limitation issues.

10. Termination. Either party may, upon thirty (30) days written notice to the other party, terminate this Agreement without any further obligations if the other party breaches any provision of this Agreement and thereafter fails to cure such breach within the thirty (30) day period following such notice; provided, however, that if the default cannot reasonably be cured with the thirty (30) days, the breaching party shall not be in default of this Agreement if it commences to cure the default within the thirty (30) day period and diligently and in good faith continues with and actually completes said cure within a reasonable amount of time, but in no event longer than ninety (90) days or until seven (7) days prior to the commencement of the Festival (whichever occurs first). Notwithstanding the foregoing, the City may cancel the Festival(s) upon 30 day written notice to the Producer in the event of any circumstance that the City Council determines continuation of the Festival(s) would create a serious imminent danger to public health, safety and welfare. In the event of any cancellation in accordance



with the preceding sentence, the City agrees to provide a generally equivalent venue space for the Festival(s) as described above that mitigates the serious imminent danger to public health, safety and welfare and would be provided to the Producer at no additional Facility Use Fee. City has identified Veterans Park, 309 Esplanade, Redondo Beach, and Aviation Park, 1935 Manhattan Beach Boulevard, Redondo Beach, as generally equivalent venue spaces for the Festival(s).

11. Assignment. The Producer shall not assign, transfer or convey (collectively "Assign") any or all of its rights under this Agreement without first obtaining City's written consent, which consent may be withheld in the sole and absolute discretion of City. In the event that Producer shall attempt to assign any or all of its rights under this Agreement without first obtaining such consent, City may, in its direction, immediately terminate this Agreement and all rights and interests of Producer therein shall cease and terminate. Any purported assignment without the consent of City is null and void. The City acknowledges that the Producer intends to partner with Beachlife LLC and other possible future legal entities in order to finance and operate the Festival. The obligations and rights of the Agreement shall remain with the Producer unless approved by the City for assignment, transfer or conveyance. Any entity that partners with the Producer for Festival purposes must adhere to the terms and conditions of the Agreement.

12. Independent Contractor. The Producer acknowledges, represents and warrants that it is not a joint venture or partner of city, but rather is an independent contractor. City shall not be responsible for payment of any salaries, wages or compensation to the employees, contractors, vendors or volunteers of the Producer.

13. Compliance with Laws. The Producer shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals with respect to this Agreement, including without limitation environmental laws and employment discrimination laws.

14. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter thereof and supersedes any previous oral or written agreement. This Agreement may be modified or amended only by subsequent written instrument executed by both parties, approved as to form by the City Attorney and approved by the City Council.

15. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties.

16. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles or conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.

17. Attorneys' Fees. In the event either party to this Agreement brings an action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.

18. Claims. Any claim by the Producer against City hereunder shall be subject to Government Code §§880 et seq. The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after the accrual of the cause of action.



19. Interpretation. The Producer acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.

20. Severability. Any provision of this Agreement to be found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.

21. Waiver. The waiver by either party of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

22. Discrimination. The Producer shall not discriminate against any person on the basis of race, religion, color, sex, age, national origin, or physical handicap. The Producer shall make the Festival available on an equal basis to all interested individuals and organizations.

23. Further Agreements. It is the mutual desire and intent of the parties hereto to ensure that the Festival envisioned herein actually occurs because of the public benefits to the City and the community. Each party therefore agrees to negotiate in good faith in the event that any unforeseen issues or circumstances arise not anticipated at the time of this Agreement in order to ensure that the purposes of this agreement are fulfilled. Any changes to this Agreement shall be agreed to by the City and Producer and approved by the City Council.

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California as of this day, September 4, 2018.

CITY OF REDONDO BEACH

William C. Brand,
Mayor

Approved as to Form:

Michael W. Webb,
City Attorney



ATTEST:

Eleanor Manzano, City Clerk

Sanford Ventures Inc.
A California Corporation

By: _____
Allen Sanford, Manager



Exhibit A
Site Plan





EXHIBIT E

CITY CLAIM REPORTING FORM FOR ALL PERSONS OR PROPERTY

TO: CITY OF REDONDO BEACH
 ATTN: Eleanor Manzano, City Clerk
 415 Diamond Street
 P.O. Box 270
 Redondo Beach, California 90277-0270

1. Claims for death, injury to persons, or to personal property, must be filed not later than six (6) months after the occurrence (Gov. Code, Sec. 911.2).
2. Claims for damages to real property must be filed not later than one (1) year after the occurrence (Gov. Code, Sec. 911.2).
3. Read entire claim before filing.
4. Attach separate sheets, if necessary, to give full details

Name of Claimant (First, Middle, Last) Redondo Beach Waterfront, LLC c/o Jean Paul Wardy		Age N/A
Home Address of Claimant (Street, City, State, Zip) N/A		Telephone No. ()
Business Address of Claimant (Street, City, State, Zip) 1600 E. Franklin Avenue, Suite 1400, El Segundo, CA 90245		Telephone No. (310) 563-6900
Address to which you desire notices or communications to be sent regarding this claim: c/o Shumener, Odson & Oh, LLP, 550 S. Hope St., Suite 1050, Los Angeles, CA 90071		

Date of Damage/Loss/Injury See attached Exhibit A	Time 2:18 P.M.
Place of Damage/Loss/Injury See attached Exhibit A	RECEIVED OCT - 2 PM 1:20
How Did the Damage/Loss/Injury occur? (Be Specific) See attached Exhibit A	
Were Police at scene? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Were Paramedics at scene? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
What particular act or omission do you claim caused the Damage/Loss/Injury? See attached Exhibit A	

Name of City employee(s) causing the Damage/Loss/Injury: **See attached Exhibit A**

Is the total amount of your claim, including the estimated amount of any prospective Damage/Loss/Injury

less than \$10,000.00 If so, state the amount _____ More than \$10,000.00 but less than \$25,000.00 (Municipal Court Jurisdiction)

more than \$25,000.00 (Superior Court Jurisdiction)

How was amount of claim computed? (Be specific. Please attach copies of any expenses including doctor bills, repair estimates, reports etc. Please attach two (2) estimates.

See attached Exhibit A

THIS CLAIM MUST BE SIGNED ON REVERSE SIDE

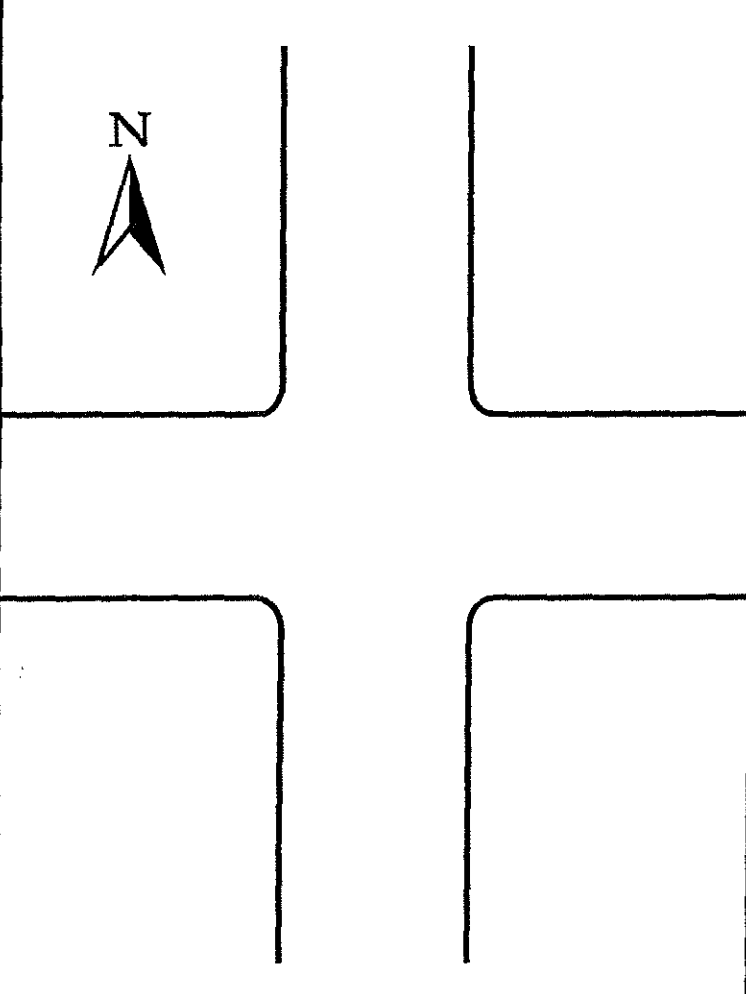
Name and address of witness(es), doctor(s), and hospital(s): See attached Exhibit A

PLEASE READ THE FOLLOWING CAREFULLY.

For all vehicle damage claims, draw a diagram with the names of streets, and indicate place of incident by 'X' and by showing house numbers or distances to corners

If City Vehicle was involved, designate by letter 'A' location of city vehicle and by 'B' location of yourself or you vehicle.

If personal or property damage claim please identify location as completely as possible.

CLAIMS INVOLVING VEHICLES	CLAIMS - OTHER (Please draw diagram)
	

I HAVE READ THE FOREGOING CLAIM AND KNOW THE CONTENTS THEREOF. I CERTIFY THAT THIS INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Dated 10/1/2018 Signed 

NOTE: PRESENTATION OF A FALSE CLAIM IS PUNISHABLE AS A FELONY (CL. PEN. CODE 72).

Exhibit A

October 1, 2018

Via Messenger

City of Redondo Beach
Attention: City Manager
415 Diamond Street
Redondo Beach, California 90277-0270

City of Redondo Beach
Attention: Waterfront and Economic
Development Director
415 Diamond Street
Redondo Beach, California 90277-0270

City of Redondo Beach
Attention: City Attorney
415 Diamond Street
Redondo Beach, California 90277-0270

City of Redondo Beach
Attention: Eleanor Manzano, City Clerk
415 Diamond Street
P.O. Box 270
Redondo Beach, California 90277-0270

Re: Claim Under California Government Code

To Whom It May Concern:

We represent Redondo Beach Waterfront, LLC (“Developer”), the developer of the Redondo Beach King Harbor-Pier Area revitalization and construction project (the “Waterfront Project”), whose address is 1600 E. Franklin Ave., Suite 1400, El Segundo, CA 90245, attention Jean Paul Wardy and Fred Bruning. We are writing to submit a formal claim to the City for damages in accordance with sections 810 et seq. of the California Government Code.

A. Background Facts

Since at least 2005, the City has sought to revitalize and redevelop the Redondo Beach King Harbor-Pier Area (“Waterfront”), which needs extensive infrastructure and public safety improvements, including an updated pier, new roads, and other buildings. As the City lacked the funds to undertake the required construction of the infrastructure improvements, the City entered into a “public-private partnership” with Developer whereby the City would enter into a long-term ground lease with Developer for certain parcels on the Waterfront and Developer would undertake the re-development of the Waterfront.

To induce Developer to spend over \$14 million on the City’s behalf, the City and Developer entered into various agreements, which culminated in the Agreement for Lease of Property and Infrastructure Financing (“ALPIF”), governing, among other things, the obligations of Developer and City concerning the contemplated development and the leasing of various parcels on the Waterfront.

City of Redondo Beach
October 1, 2018
Page Two

B. The City's Breaches

On September 4, 2018 the City voted to enter into that certain Amended and Restated Agreement for Special Event Services and Revocable License for the Use of Real Property ("Lease Agreement") with Sanford Ventures Inc. ("Producer"). Pursuant to Section 201.1 of the ALPIF, the City is prohibited from entering into any such lease agreement, unless the lease agreement "can be freely terminated by City with no more than six (6) months prior notice from the City" and "Developer has reasonably approved" it. Section 201.1 of the ALPIF provides:

201.1 Lease Extensions and New Leases. The City shall not extend any month-to-month lease with tenants on the Lease Parcels, and shall not enter any new lease for portions of the Lease Parcels, unless (i) such leases can be freely terminated by City with no more than six (6) months prior notice from the City, and (ii) Developer has reasonably approved such leases. City shall notify Developer of any proposed lease extension and/or new lease before execution (such notifications to contain all of the material terms of such proposed new lease or extension), and Developer shall have the right to refuse to grant its consent if the proposed new lease or lease extension does not meet the foregoing requirements, would place material additional financial burden on Developer, or would breach any exclusive or other use restriction on the developed parcels on the Lease Parcels. (Emphasis added.)

The termination provision contained in Section 10 of the Lease Agreement does not comply with the ALPIF in that, among other things: (i) it cannot be "freely terminated by City with no more than six (6) months prior notice," as the Lease Agreement allows for termination only upon a determination that a festival sponsored by Producer "would create a serious imminent danger to public health, safety and welfare"; (ii) the City did not provide notice of the Lease Agreement to Developer "before execution"; and (iii) Developer did not "reasonably approve" the Lease Agreement. Accordingly, the City has materially breached the ALPIF.¹

While the City may contend that the Lease Agreement is merely a license, a review of the Lease Agreement reveals that the City is attempting to recast the Lease Agreement solely to avoid its obligations under the ALPIF. First, although the City uses the term "revocable," there is nothing revocable about the Lease Agreement. Second, the term of the Lease Agreement is over 10 years, with an option to extend the Lease Agreement for an additional 5 years. As stated above, the City has no 6-month termination right. Third, the Lease Agreement authorizes the use of

¹ Note that Developer previously informed the City that approval of such an agreement would constitute a breach, but the City ignored Developer's concerns.

City of Redondo Beach
October 1, 2018
Page Three

property and operations that the City agreed would be exclusive to Developer. For instance, in the ALPIF, the City agreed that the parking lot at issue in the Lease Agreement would be leased to Developer, that the City and Developer would enter into the Seaside Lagoon Concessionaire Agreement (“**Concessionaire Agreement**”) attached as Exhibit __ to the ALPIF, and that Developer shall have the exclusive right to operate concessions at the Seaside Lagoon. To this end, Section 2 of the Concessionaire Agreement provides:

The City ... hereby grants to Concessionaire [*i.e.* Developer] for the purposes stated herein, exclusive possession of the Premises and the right, privilege and duty to ... operate and maintain an exclusive concession on the Premises

However, the Lease Agreement grants the right to Producer to use the Seaside Lagoon and Marina parking (which was to be controlled by Developer) and authorizes Producer to serve concessions, including “food, beverage, and alcoholic beverage service operations throughout the site...” As the Lease Agreement denies Developer exclusive possession of the property and the exclusive right to operate concessions, the approval of the Lease Agreement constitutes a material breach of the ALPIF.

In addition, the ALPIF requires the City to cooperate with Developer concerning any revised plans for the Waterfront Project. Section 303 of the ALPIF provides:

City staff shall work cooperatively with the Developer to assist in coordinating the **expeditious processing and consideration** of all necessary permits, entitlements, and approvals....

Similarly, Section 721 of the ALPIF provides:

721. Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases and additional agreements.

On May 11, 2018, the Honorable James C. Chalfant issued a decision requesting the City do the following to correct deficiencies with its Environmental Impact Report (“EIR”) for the Waterfront Project: (1) Recirculate the analysis of navigational safety of the Mole B Boat Ramp; (2) revise the analysis of “Water Quality and Public Health in the Seaside Lagoon”; (3) revise the analysis of view impacts to address the hotel’s impact on the ocean views from the bottom of Czuleger Park; and (4) revise the analysis of “consistency/integration of the view impacts with LUP Policy 2’s purported ban on any obstruction of views from Czuleger Park to the ocean.”

City of Redondo Beach
October 1, 2018
Page Four

On several occasions over the last few months Developer has requested that the City work with it to correct the deficiencies identified in the EIR.² The City did not even respond to Developer. The City's refusal to work cooperatively with Developer constitutes an additional material breach of the ALPIF.

C. The City Is Liable For Damages To Developer

There is implied in every contract a covenant by each party not to do anything which will deprive the other parties thereto of the benefits of the contract ... This covenant not only imposes upon each contracting party the duty to refrain from doing anything which would render performance of the contract impossible by any act of his own, but also the duty to do everything that the contract presupposes that he will do to accomplish its purpose.

1 B.E. Witkin, Summary of Cal. Law: Contracts § 798 (10th ed. 2016); See also Pasadena Live, LLC v. City of Pasadena, 114 Cal. App. 4th 1089, 1093 (2004) ("Under the implied covenant of good faith and fair dealing, City was required 'to do everything that the contract presupposes that [City] will do to accomplish its purpose.'").

Instead of fulfilling its obligations under the ALPIF, the City has breached the ALPIF by, among other things, infringing on Developer's property rights and its exclusive right to operate a concession on the subject property. Additionally, the City has refused to cooperate with Developer concerning the entitlements for the Waterfront Project. The City's conduct constitutes material breaches of the ALPIF's express terms, as well as the implied covenant of good faith and fair dealing. As a result of the City's conduct, Developer is entitled to restitution of the amounts it has spent on the City's behalf.

D. This Claim Is New And Does Not Supersede Prior Claims

As you know, on March 28, 2017, Developer submitted a certain claim with the City (the "Original Claim"). On April 17, 2017, the City sent a Notice of Insufficiency arguing that the Original Claim was purportedly defective. Although City's argument was without merit, on April 27, 2017, Developer submitted a revised claim (the "Revised Claim") out of an abundance of caution.

Please be advised that this claim is a separate new claim based on events and circumstances which have occurred since the filing of the Original Claim and Revised Claim and does not supersede the Original Claim or Revised Claim previously filed with the City.

² Please see Developer's correspondence with the City dated August 20, 2018; August 13, 2018; and April 2, 2018 all of which were ignored by the City.

City of Redondo Beach

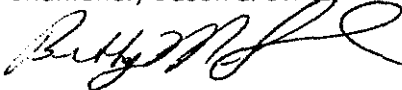
October 1, 2018

Page Five

Nothing in this letter should be construed as a waiver of any of Developer's rights and remedies under any contract, at law, or in equity. Developer hereby reserves all rights and remedies.

Very truly yours,

Shumener, Odson & Oh LLP

A handwritten signature in black ink, appearing to read "Betty M. Shumener", written in a cursive style.

Betty M. Shumener

EXHIBIT F

Angel Law
2601 Ocean Park Blvd., Suite 205
Santa Monica, CA 90405

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

JUL 30 2018

Sherri R. Carter, Executive Officer/Clerk
By: Jennifer De Luna, Deputy

1 ANGEL LAW
2 Frank P. Angel (SBN: 113301)
3 fangel@angellaw.com
4 Ellis Raskin (SBN: 314637)
5 eraskin@angellaw.com
6 2601 Ocean Park Boulevard, Suite 205
7 Santa Monica, CA 90405-5269
8 Tel.: (310) 314-6433

9 Attorneys for Petitioners/Plaintiffs
10 BUILDING A BETTER REDONDO
11 and JAMES LIGHT

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

14 BUILDING A BETTER REDONDO and
15 JAMES LIGHT,

16
17 Petitioners/Plaintiffs,

18
19 v.

20 CITY OF REDONDO BEACH and CITY
21 COUNCIL OF THE CITY OF REDONDO BEACH,

22 Respondents/Defendants.

23
24 CENTERCAL PROPERTIES, LLC,
25 REDONDO BEACH WATERFRONT, LLC and
26 CITY OF REDONDO BEACH,

27 Real Parties in Interest/Defendants.
28
29
30
31
32
33
34
35
36

Case No. BS166124

~~[PROPOSED]~~ JUDGMENT GRANTING IN
PART AND DENYING IN PART
PEREMPTORY WRIT OF
ADMINISTRATIVE MANDAMUS AND
DECLARATORY RELIEF

REASSIGNED FOR ALL PURPOSES TO THE
HONORABLE JAMES C. CHALFANT

OSC re Entry of Judgment

Department: 85

Date: August 7, 2018

Time: 1:30 p.m.

Action Filed: November 18, 2016

1 This matter came regularly before this Court on March 20 and April 23, 2018, for hearing in
2 Department 85 (Honorable James C. Chalfant, Judge Presiding), on the motion of Petitioners/Plaintiffs
3 Building a Better Redondo and James Light (**Petitioners**) for a peremptory writ of administrative
4 mandamus and declaratory relief. Petitioners appeared through their counsel, Frank P. Angel and Ellis
5 Raskin. Respondents/Defendants City of Redondo Beach (**City**) and Redondo Beach City Council
6 (collectively **Respondents**) appeared through their counsel Margaret M. Sohagi, R. Tyson Sohagi and
7 Cheryl Park, Assistant City Attorney. Real Parties in Interest/Defendants CenterCal Properties, LLC and
8 Redondo Beach Waterfront, LLC (**Real Parties**) appeared through their counsel Patrick A. Perry.

9 Based on the statement of decision signed and filed in this matter on May 11, 2018, adopted as
10 an order of this Court,

11 **THE COURT ORDERS, ADJUDGES AND DECREES** that Petitioners' verified first
12 amended petition for writ of mandate and complaint for declaratory relief filed January 3, 2017
13 (**FAP&C**; the operative pleading) is granted in part, and a peremptory writ of administrative mandamus
14 shall issue, remanding the matter to Respondents and directing them to:

15 1. Set aside the certification of the final environmental impact report (**EIR**) for the
16 Waterfront Project (State Clearinghouse No. 2014061071; File No. 2014-04-EIR-001) and approval of
17 entitlements for the Waterfront Project, except for the approval by the City of Vesting Tentative Tract
18 Map. No. 74207 (**VTTM**), which **VTTM** shall not be set aside.

19 2. Unless the Waterfront Project is abandoned, withdrawn, or all CEQA issues determined
20 by the Court against the City are no longer germane to any new project or any alternative to the project,
21 prepare and recirculate for public review a revised EIR, or revised EIR portions, as may be appropriate
22 or necessary under CEQA, adequately addressing:

- 23 (a) The Mole B Boat Ramp location's navigational safety impacts;¹
- 24 (b) The human health impacts from removing the revetment for the Seaside Lagoon;
- 25 (c) The visual impact of the hotel proposed as part of the Waterfront Project on
26 southern views from Czuleger Park; and
- 27 (d) The Project's compliance with the prohibition in the City's certified coastal land
28 use plan on new development obstruction of ocean views from the lower end of
29 Czuleger Park.

30 3. Take such further action as is specially enjoined on Respondents by law, provided,
31 however, that nothing in this judgment or the writ shall limit or control the discretion legally vested in
32

33
34 ¹ Substantial evidence in the administrative record supports the conclusion that there is no need
35 for additional navigational safety analysis of the boat ramp's relocation on Mole B. (Decision, pp. 45-
36 47.) However, an appropriate analysis addressing the navigational safety impacts of the boat ramp must
be contained in the EIR circulated to the public and certified by the City Council. (Decision, pp. 49-52.)

1 them.

2 **THE COURT FURTHER ORDERS, ADJUDGES AND DECLARES** that:

3 Respondents and Real Parties are enjoined from further action to pursue the Waterfront Project until the
4 final EIR has been revised and recirculated, wholly or in part, as may be appropriate or necessary under
5 CEQA, to comply with CEQA. Nothing in this judgment precludes the City from electing to not re-
6 utilize the EIR or retaining consultants and preparing environmental documents; provided, however, that
7 any new EIR for any new project or any alternative to the Waterfront Project fully complies with CEQA.
8 This does not preclude the replacement of the sportsfishing pier or other maintenance activities for
9 which independent CEQA analysis has been performed.

10 4. The City's CEQA Ordinance administrative appeal procedures are lawful with the
11 exception of the requirement for certified mailing by an appellant, which is severed from the Ordinance.

12 5. Petitioners' remaining CEQA and public trust claims in the FAP&C are denied.

13 6. Petitioners' Public Records Act claim is dismissed.

14 7. Petitioners' request for an award of private attorney general fees pursuant to Code of
15 Civil Procedure section 1021.5 against Respondents and Real Parties shall be heard and determined by
16 the Court upon noticed motion; and

17 8. Petitioners shall be awarded costs in the amount of \$ _____.

18
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21
22 DATED: July 30, 2018

23 **JAMES C. CHALFANT**

24 _____
25 Honorable James C. Chalfant
26 Judge of the Superior Court
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EXHIBIT G

February 13, 2019

Via Personal Service and Electronic Mail

Michael W. Webb
Office of the City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
michael.webb@redondo.org

Harbor Commission
Attn: Stephen Proud
415 Diamond Street
Redondo Beach, California 90277
stephen.proud@redondo.org

Re: Extension of Vesting Tentative Tract Map Number 74207

Dear Counsel:

We represent Redondo Beach Waterfront, LLC ("**RBW**"), the developer of the Redondo Beach King Harbor-Pier Area revitalization and construction project (the "**Waterfront Project**") and the applicant for Vesting Tentative Tract Map No. 74207 ("**VTTM 74207**"), which was affirmed by the City of Redondo Beach ("**City**") on October 18-19, 2016 pursuant to Resolution No. CC-1610-099 passed by the City Council. As you are aware, RBW has been working with the City on a potential settlement of their disputes. These negotiations, however, will take time, and RBW cannot take the risk that VTTM 74207 will expire in the interim.

By way of background, on November 18, 2016, the entitlements for the Waterfront Project, including VTTM 74207, were challenged by Building a Better Redondo ("**CEQA Action**"). The CEQA Action is currently on appeal. Thereafter, in March 2017, the voters of Redondo Beach passed Measure C. Realizing that Measure C was inconsistent with the Waterfront Project and VTTM 74207, on April 6, 2017, the City sent RBW a letter contending that Measure C prevented the City's performance under the ALPIF. As a result, RBW was forced to file a petition for writ of mandate to obtain a declaration of its rights concerning VTTM 74207 vis-à-vis Measure C.

Thereafter, on November 9, 2017, RBW initiated an action against the City ("**Damages Action**"). After the Court denied the City's Special Motion to Strike, the City filed an appeal causing the Damages Action to be stayed pending the appeal. As a result of the pending litigation and the passage of Measure C, RBW has been unable to move forward with the Waterfront Project. Accordingly, pursuant to Section 66452.6(c) of the California Government Code, RBW hereby requests that the City Council extend the expiration of VTTM 74207 for the period during which the above-referenced litigation is pending before the Court or for three (3) years, whichever is earliest.

Michael W. Webb
Harbor Commission
February 13, 2019
Page Two

Redondo Beach Municipal Code, Article 5, Section 10-1.514 provides that “[t]he approval of a ... tentative map shall expire thirty-six (36) months after the date the map was approved” Section 66452.6(c) of the Government Code provides that the period of time provided under local ordinance “shall not include the period of time during which a lawsuit involving the approval or conditional approval of the tentative map is or was pending in a court of competent jurisdiction, if the stay of the time period is approved by the local agency pursuant to this section.” Because the Waterfront Project approvals, including VTTM 74207, were challenged in court, RBW respectfully requests that the City extend the expiration of VTTM 74207 for the period during which the above-referenced litigation is pending before the Court or for three (3) years, whichever is earliest.

As discussed with you at our February 11, 2019 settlement conference, as an alternative, RBW proposes that the parties enter into the enclosed stipulation for an order tolling the expiration of VTTM 74207, which can be filed in the Damages Action. Please let me know at your earliest convenience if the City will grant an extension of VTTM 74207 pursuant to Government Code Section 66452.6(c) or agree to the enclosed stipulation and proposed order.

Nothing in this letter should be construed in any way as a waiver of any of RBW’s rights and remedies under any contract, at law, or in equity. RBW hereby reserves all rights and remedies.

Very truly yours,

Shumener, Odson & Oh LLP



John D. Spurling

cc: Aaron Jones (by e-mail)
Cheryl Park (by e-mail)
Jonathan Welner (by e-mail)
Matthew D. Hinks (by e-mail)

EXHIBIT H

August 13, 2018

Via E-mail

Mayor William Brand
Councilmember Nils Nehrenheim
Councilmember Laura Emdee
Councilmember John Gran
Councilmember Christian Horvath
Councilmember Todd Lowenstein
City Attorney Michael Webb
City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277-0270

Re: COMPLYING WITH THE ALPIF, CEQA AND THE TWO CALIFORNIA SUPERIOR COURT JUDGMENTS ENTERED AGAINST THE CITY OF REDONDO BEACH

Dear Mayor Brand, Members of the Redondo Beach City Council, and Mr. Webb:

As you know, we represent Redondo Beach Waterfront LLC (“**Developer**”), the developer of the Redondo Beach King Harbor-Pier Area revitalization and construction project (the “**Waterfront Project**”).

While we understand that the California Coastal Commission (the “**Commission**”) certified Measure C, the certification has no effect on Developer or the Waterfront Project. Measure C is a local ordinance which states, on its face, that it does not apply to vested rights. As you know, a Judgment was entered on May 8, 2018 in favor of Developer and against the City of Redondo Beach (the “**City**”) by the Honorable James C. Chalfant, Superior Court Judge, finding that Developer has vested rights as to the Waterfront Project (the “**Vested Rights Judgment**”). Accordingly, notwithstanding the certification of Measure C by the Commission, Measure C – by its own terms – cannot be applied to Developer or the Waterfront Project.

In addition, the Agreement for Lease of Property and Infrastructure Financing (“**ALPIF**”) between the City and Developer remains in full force and effect, notwithstanding the City’s material breaches of the ALPIF. Accordingly, please be advised that, among other things, the City is contractually obligated to lease the designated land on the Redondo Beach waterfront (the “**Waterfront**”) to Developer; and, without Developer’s prior written approval, (i) the City is prohibited from extending or modifying any of the existing leases affecting the Waterfront for a period greater than six (6) months, and (ii) the City is prohibited from entering into any new leases affecting the Waterfront for a period greater than six (6) months. Developer has neither

City of Redondo Beach
August 13, 2018
Page Two

waived any of these provisions of the ALPIF, nor does Developer intend to do so. Section 201.1 of the ALPIF provides as follows:

201.1 The Lease Extensions and New Leases. The City shall not extend any month-to-month leases with tenants on the Lease Parcels, and shall not enter into any new lease for portions of the Lease Parcels, unless (1) such leases can be freely terminated by City with no more than six (6) months prior notice from the City, and (ii) Developer has reasonably approved such leases. **City shall notify Developer of any proposed lease extension and/or new leases before execution** (such notification to contain all of the material terms of such proposed new lease or extension), and **Developer shall have the right to refuse to grant its consent** if the proposed new lease or lease extension does not meet the foregoing requirements, would place material additional financial burden on Developer, or would breach any exclusive or other use restriction on the developed parcels on the Lease Parcels.

As you are also aware, on July 30, 2018, the Honorable James C. Chalfant, Superior Court Judge, entered the Judgment Granting in Part and Denying in Part Peremptory Writ of Administrative Mandamus and Declaratory Relief (the “**CEQA Judgment**”) directing the City to do the following with respect to the Environmental Impact Report (“**EIR**”) for the Waterfront Project: (1) Recirculate the analysis of navigational safety of the Mole B Boat Ramp; (2) revise the analysis of “Water Quality and Public Health in the Seaside Lagoon”; (3) revise the analysis of view impacts to address the hotel’s impact on the ocean views from the bottom of Czuleger Park; and (4) revise the analysis of “consistency/integration of the view impacts with LUP Policy 2’s purported ban on any obstruction of views from Czuleger Park to the ocean.”¹

Please advise us at your earliest opportunity what steps the City intends to take to address these straightforward issues regarding the EIR identified by Judge Chalfant. When do you expect to be able to recirculate the analysis of the navigational safety concerning the City’s Boat Ramp at Mole B? We understand that the City is considering moving the Boat Ramp to Mole C. When does the City expect to undertake this work, and when does the City expect it to be completed? Additionally, how does the City intend to address the alleged water quality issues concerning the opening of Seaside Lagoon to Harbor waters, and how does the City plan to further analyze the alleged view impacts from Czuleger Park?

Please be advised that under the ALPIF, the City is required to cooperate with Developer concerning any revised plans for the Waterfront Project. Section 303 of the ALPIF provides:

¹ For the avoidance of doubt, the CEQA Judgment reaffirmed that the approvals of Developer’s Vesting Tentative Tract Map remained intact and, therefore, Developer’s vested rights were not diminished in any way by the CEQA Judgment.

City of Redondo Beach
August 13, 2018
Page Three

... City staff shall work cooperatively with the Developer **to assist in coordinating the expeditious processing and consideration** of all necessary permits, entitlements, and approvals...

Similarly, Section 721 of the ALPIF provides:

721. Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases and additional agreements.

Please be advised that the City's failure to work with Developer concerning the EIR constitutes additional material defaults and material breaches of the ALPIF by the City.

As always, Developer is ready to undertake the necessary work to develop the Waterfront Project and address the issues identified by Judge Chalfant regarding the EIR. Developer hereby requests that the City do the same and refrain from further breaches of the ALPIF.

Please be advised that nothing in this letter should be construed as a waiver or release of any of Developer's rights and remedies at law or in equity. Developer hereby reserves all rights and remedies.

Very truly yours,

Shumener, Odson & Oh LLP


Betty M. Shumener

Cc: Jon Welner (by email)
Matthew Hinks (by email)

EXHIBIT I



Administrative Report

Council Action Date: March 19, 2019

To: MAYOR AND CITY COUNCIL

From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

Subject: COMPLIANCE WITH WRIT OF ADMINISTRATIVE MANDAMUS ISSUED ON AUGUST 8, 2018 TO SET ASIDE THE CERTIFICATION OF FINAL ENVIRONMENTAL IMPACT REPORT FOR THE WATERFRONT PROJECT (STATE CLERINGHOUSE NO. 2014061071; FILE NO. 20014-04-EIR-001) AND TO SET ASIDE THE APPROVAL OF ENTITLEMENTS FOR THE WATERFRONT PROJECT EXCEPT FOR THE APPROVAL OF VESTING TENTATIVE TRACT MAP NO.74207

RECOMMENDATION

Adopt by title only a Resolution of the City Council of the City of Redondo Beach, California, complying with the Writ of Mandamus issued by the court on August 8, 2018 to set aside the certification of Final Environmental Impact report for the Waterfront Project (State Clearinghouse No. 2014061071; file no. 20014-04-eir-001) and to set aside the approval of entitlements for the Waterfront Project, except for the approval of Vesting Tentative Tract Map no.74207.

EXECUTIVE SUMMARY

On July 30, 2018, the Honorable Judge James C. Chalfant ("Judge Chalfant"), issued a Judgment in a case filed against the City of Redondo Beach ("City") which challenged, among other things, the CEQA document prepared for the Waterfront Project. While the Court found in favor of the City on approximately 90% of the issues, Judge Chalfant ruled that the City's environmental review was deficient in a limited number of areas. Judge Chalfant's ruling does not preclude the City from utilizing valid portions of the EIR for other projects.

On August 8, 2018, Judge Chalfant issued a Writ of Mandamus commanding the City of Redondo Beach to set aside the certification of the Final Environmental Impact Report for the Waterfront Project and the associated entitlements, with the exception of the Vesting Tentative Tract Map No. 74207.

BACKGROUND

On October 18, 2016, the Redondo Beach City Council adopted Resolution No. CC-1610-098 which certified the Final Environmental Impact Report (EIR) (State Clearinghouse No. 2014061071) and also adopted Resolution No. CC-1610-099 which approved a Conditional Use Permit, Coastal Development Permit, Harbor Commission Design Review, and Vesting Tentative Tract Map No. 74207 for Construction of a Coastal Commercial Project totaling 523,939 square feet (the "Waterfront Project"); and

On November 29, 2016 the Redondo Beach City Council adopted Resolution No. CC-1611-115 which approved a Conditional Use Permit, Harbor Commission Design Review, and a Coastal Development Permit for the construction and operation of a public boat launch facility. On November 18, 2016 and January 3, 2017, Building a Better Redondo and James Light ("Petitioners") petitioned the Los Angeles Superior Court for a Writ of Mandamus and Complaint for Declaratory Relief, which challenged aspects of the Waterfront Project's entitlement process including the challenges under CEQA, Los Angeles Superior Court Case No. BS166124.

After hearings on March 20, 2018 and April 23, 2018, on July 30, 2018, The Honorable Judge James C. Chalfant ("Judge Chalfant" or "Court"), issued a Judgment in Case No. BS166124.

The Court rejected the majority of Petitioners' CEQA arguments concluding: (1) that the City's navigational safety analysis of Mole B was supported by substantial evidence and that there was no need for additional analysis, (2) that the loss of boat slips associated with the Mole B boat launch was consistent with CEQA, the Local Coastal Program, and the Coastal Act and that the project "would result in an overall improvement in recreational conditions in the Harbor," (3) that the loss of vehicular parking spaces associated with the Mole B boat launch was consistent with CEQA, the Local Coastal Program, and the Coastal Act, (4) the City's analysis of greenhouse gases was supported by substantial evidence, (5) the City adequately analyzed views along Harbor Drive and that "the Project actually increases the ocean view along Harbor Drive through view corridors and the extended Harbor Drive," (6) recirculation was not required for the Hansen Alternative (i.e. different boat launch configuration at Mole C), (7) there is substantial evidence that the view impacts from Czuleger Park are less than significant for most of the Waterfront Project, (8) the City provided a reasonable range of project alternatives, (9) concluding that the EIR's analysis of landside traffic impacts was supported by substantial evidence. Petitioners abandoned their arguments related to: (10) adequacy of the Project Description, (11) Water Supply, (12) allegations of impermissibly deferred mitigation measures, and (13) abandoned their Public Records Act cause of action which was dismissed by the Court.

The Court further concluded that the Waterfront Project was fully consistent with the Public Trust Doctrine, and (14) rejected arguments that the new structures in Seaside Lagoon were inconsistent with the Public Trust, stating "Petitioners' assertion that one third of the Lagoon would be paved over lacks factual support," (15) rejected Petitioners' arguments that the new roadways were inconsistent with the Public Trust, and that "Petitioners' contention that an unidentified road prioritizes service for non-marine-oriented offices and a luxury cinema at the expense of the Lagoon park is not factually supported," (16) rejected Petitioners' argument that the Waterfront Project's water quality impacts from removing a chlorinated swimming facility was inconsistent with the Public Trust, and that Petitioners' interpretation "would result in a statewide ban of all ocean beaches," (17) rejected Petitioners' arguments that the pedestrian bridge was inconsistent with the Public Trust, (18) rejected Petitioners' arguments that the City did not analyze sea level rise impacts to Public Trust uses and that "The Waterfront Project actually improves these conditions by increasing elevations up to eight feet and providing protective measures for trust resources".

The Court (19) rejected Petitioners as applied challenges to the CEQA Appeal Ordinance, and rejected nearly all arguments related to the facial challenge to the City's CEQA Appeal ordinance. More specifically the Court (20) concluded the City's CEQA Appeal Exhaustion procedures contained in RBMC § 10-3.901(h) were permissible, (21) concluded that the City's CEQA Appeal 7-day submittal requirement contained in RBMC § 10-3.901(i) was permissible, (22) generally concluded that the requirement that appellants provide notice to the applicant, contained in RBMC 10-3.901(d), was permissible [with the exception that such notice does not need to be delivered by "certified" mail], (23) rejected Petitioners' constitutional and due process challenges, and (24) rejected Petitioners' assertions that the City's Exhaustion requirements violated Public Resource Code §21092.1.

The Court partially ruled against the City and Real Parties on a limited number of issues and on August 8, 2018 issued a writ directing the City to set aside most of the Waterfront Project entitlements, and to set aside certification of the EIR. The writ also directs the City to correct these issues, unless "the Waterfront Project is abandoned, withdrawn, or all CEQA issues determined by the Court against the City are no longer germane to any new project or any alternative to the project."

First, the Court held that additional analysis of water quality/public health effects was necessary to address the effects of opening the Seaside Lagoon to the Harbor channel for swimming-related recreation. Since the Court's decision, the Coastal Commission certified new regulations in the City's LCP for Seaside Lagoon which state that "If the saltwater sandy-bottom swimming facility is replaced, a pool or similar recreational swimming wading facility...shall be provided...[and] swimming or wading in harbor or ocean waters shall not meet this requirement..." (RBMC § 10-5.1117(i)).

Second, while the Court held that there is substantial evidence that the view impacts from Czuleger Park are less than significant for most of the Waterfront Project, the Court ordered additional analysis of the proposed hotel's impacts on ocean views from the bottom of Czuleger Park and consistency with Coastal Land Use Policy 2 related to obstruction of views from the lower end of Czuleger Park.

Finally, the Court held that "substantial evidence in the administrative record supports the conclusion that there is no need for additional navigational safety analysis of the boat ramp's location on Mole B," the Court still ordered recirculation related to this one issue, asserting that recirculation was warranted, in part, because the matter was "hotly debated" (Decision p. 60). Since the Court's decision, the Coastal Commission certified new regulations in the City's LCP which set new development standards associated with the construction of a boat launch facility (RBMC § 10-5.811(g)), and the City's November 29, 2016 Election Report, page 7, concluded that construction of a boat launch at Mole B is likely infeasible if constructed under these new regulations.

IMPACT OF SETTING ASIDE THE CERTIFICATION

Setting aside the certification of the EIR does not mean that the analyses completed in the EIR cannot be utilized for a future project. Indeed, the opposite is true. Depending on the parameters of a future project, the existing EIR could be used as the basis for preparing environmental documents for that project, including but not limited to, a modified EIR, a supplemental EIR, a subsequent EIR or an addendum. Recirculation might be required for some of these documents.

COORDINATION

The recommendation was derived in coordination with the City Attorney's Office, the Waterfront and Economic Development Department and the City Manager's Office.

FISCAL IMPACT

Compliance with the Writ of Mandamus is included in the Community Development Department's budget.

SUBMITTED BY:

BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS:

- *Proposed Resolution*
- *Judgment in Case No. BS166124*
- *Writ of Administrative Mandamus in Case No. BS166124*