Sally Davis, District 3, expressed concern with the train coming through the area and impacts to the residents, running right behind the homes. She asked Council consider the impacts and the possibly other options.

Mark Hanson, King Harbor Yacht Club, announced Coastal Cleanup Day that took place on September 15, 2018, and a 72-foot Polynesian canoe coming to the harbor on October 17, 2018 at 4 p.m. which will be open to the public on October 20 and 21, 2018.

Motion by Councilmember Nehrenheim, seconded by Councilmember Horvath, to receive and file material presented by Mr. Hanson. Motion carried unanimously.

There being no one else wishing to comment, Mayor Brand closed the public comment period.

K. EX PARTE COMMUNICATIONS
Councilmember Nehrenheim disclosed discussions with the public, staff, applicant, appellant, Doug Boswell, Mayor and Councilmember Loewenstein.

Councilmember Loewenstein disclosed discussions with staff, Councilmember Nehrenheim, Mayor, Planning Commissioners, applicant/proponent, appellant, and the public.

Councilmember Horvath disclosed discussions with staff, public, proponents, Councilmember Emdee, one Planning Commissioner and the Mayor.

Councilmember Gran disclosed discussions with the Mayor, the proponent, applicant, Planning Commissioners, the public, staff and the City’s attorneys.

Councilmember Emdee disclosed discussions with the public, Councilmember Horvath, the applicant, Planning Commissioners and staff.

Mayor Brand disclosed discussions with the public, staff, Planning Commissioners, City Councilmembers, and City Attorney Webb.

L. PUBLIC HEARINGS

L.1 PUBLIC HEARING TO CONSIDER AN APPEAL OF THE PLANNING COMMISSION DECISION CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT AND APPROVING A WATER SUPPLY ASSESSMENT, ENVIRONMENTAL FINDINGS, STATEMENT OF OVERRIDING CONSIDERATIONS, AND MITIGATION MONITORING AND REPORTING PROGRAM AND GRANTING THE REQUESTS FOR A CONDITIONAL USE PERMIT, PLANNING COMMISSION DESIGN REVIEW, A VARIANCE AND/OR CONCESSION/InCENTIVES/WAIVERS OF DEVELOPMENT STANDARDS SUCH AS HEIGHT, STORIES, AND PARKING UNDER GOVERNMENT CODE SECTION 65915, AND APPROVING VESTING TENTATIVE TRACT MAP NO. 74481 TO ALLOW THE CONSTRUCTION OF THE SOUTH BAY GALLERIA IMPROVEMENT PROJECT ON PROPERTY LOCATED WITHIN THE REGIONAL COMMERCIAL ZONE (CR) AT 1815 HAWTHORNE BOULEVARD

ADOPT BY TITLE ONLY RESOLUTION NO. CC-1810-060 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DENYING ALL REMAINING APPEAL(S) AND UPHELD THE PLANNING COMMISSION DECISION CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT, AND APPROVING A WATER SUPPLY ASSESSMENT, ENVIRONMENTAL FINDINGS, STATEMENT OF OVERRIDING CONSIDERATIONS, AND MITIGATION MONITORING AND REPORTING PROGRAM AND GRANTING THE REQUESTS FOR A
CONDITIONAL USE PERMIT, PLANNING COMMISSION DESIGN REVIEW, A VARIANCE AND CONCESSION/INCENTIVES/WAIVERS OF DEVELOPMENT STANDARDS UNDER GOVERNMENT CODE SECTION 65915, AND APPROVING VESTING TENTATIVE TRACT MAP NO. 74481 TO ALLOW THE CONSTRUCTION OF THE SOUTH BAY GALLERIA IMPROVEMENT PROJECT TOTALING 1,593,144 SQUARE FEET OF DEVELOPMENT ON PROPERTY LOCATED WITHIN THE REGIONAL COMMERCIAL ZONE (CR) LOCATED AT 1815 HAWTHORNE BOULEVARD.

STAFF RECOMMENDATION:

a. Open the public hearing;

b. Take testimony from the Project Proponent/Applicant (maximum of 1 hour) followed by Appellant(s) (For one appellant a maximum of 1 hour, 2 appellants, a maximum of 45 minutes each, and 3 appellants or more, 30 minutes each);

c. Take public testimony (3 minutes each);

d. Take rebuttal testimony from Appellant(s) (20 minutes for each appellant) followed by the Proponent/Applicant (20 minutes x number of appellants);

e. City Council questions;

f. Close the public hearing;

g. City Council discussion and debate;

h. Adopt Resolution No. CC-1810-060 by title only.

CONTACT: AARON JONES, COMMUNITY DEVELOPMENT DIRECTOR

Motion by Councilmember Horvath, seconded by Councilmember Nehrenheim, to open the Public Hearing at 7:03 p.m. Motion carried unanimously.

Community Development Director Jones gave a report and discussed the following:

- Errata – Housekeeping and New information
- Project Team and Consultants
- Background – Introduction
- Project Site
- Background – Site History
- Project Overview
- Access and circulation
- Public Open Space
- Parking
- Public Art
- Examples of conceptual public art plan
- Architectural Design
- Sustainability
- General Plan – Land Use Policies
- Development Standards
- Entitlements approved by Planning Commission
- Conditional Use Permit
- Planning Commission Design Review
- Variance
- Vesting Tentative Tract Map
- Environmental Impact Report (EIR)
- EIR Resource Areas
- Traffic
- EIR Timeline
- Public Outreach
- Application for Affordable Housing
• Key Project Conditions
• Recommendation

Motion by Councilmember Nehrenheim, seconded by Councilmember Loewenstein, to receive and file the PowerPoint presentation. Motion carried unanimously.

AUDIENCE OATH
Mayor Brand asked that those people in the audience who wish to address the Council on any of the hearing issues stand and take the following oath:

Do each of you swear or affirm that the testimony you shall give shall be the truth, the whole truth, and nothing but the truth?

People in the audience stood and answered, “I do.”

John Alderson, Queensland Investment Corp, gave a PowerPoint presentation and discussed the following:
• Background of QIC
• Reviewed square foot allocations
  o Today
  o Approved at Planning Commission
  o Adjustments agreed to at Planning Commission
• Introduction and proposal - At QIC we are committed to reimagining the places where people choose to be and feel proud to belong
• Conceptual plans
• Existing site plan
• The New South Bay
  o Iconic – innovative – transformative
  o A catalyst for improving Artesia Boulevard
  o Seamlessly connected indoor and outdoor shopping
  o Dine at one of the unique chef driven offerings with outdoor terraces
  o Stay at 150 room Boutique Hotel
  o Live or visit friends in one of the 300 modern apartment homes
  o Work in a new creative office environment
  o Sustainable design
  o Designed around community open space
• Public Art Locations
• Redondo Beach Bicycle Master Plan
• Bicycle Access
• Pedestrian Access
• Entry Gateway
• Community Park
• Community Park Scale Comparison
• Pedestrian Paseo
• Neighborhood Park
• Neighborhood Park Scale Comparison
• Kingsdale Linear Park
• Community Outreach Timeline
• Community Outreach
• Immediate Neighbors
  o Their feedback – our solution
• Redondo Beach Police Department
Doug Boswell, appellant, District 3, gave a report and discussed the following:

- Wants the Galleria to be revitalized and succeed
- Revitalize whole Artesia corridor
- Incredible opportunity to welcome growing companies and bring high paying professional jobs in RB
- Citizens can live close by to work
- 93% of employed Redondo Beach residents commute out of the City
- Put Class A office space in and around Galleria – revitalize Artesia Boulevard
- High quality jobs in and around Galleria Mall will make the mall healthier
- Applicant is submitting bloated retail mall, added high density residential with 300 apartments, traffic making commute even worse
- Applicant has cherry picked important data
- Applicant added possibility of an office building but no commitment
- Applicant is beneficially owned by QIC – Australian Government
- Residents will have to live with the project
- Should pursue a revitalization of the Galleria providing an attractive return for QIC but keeps City livable
- Nothing required that it be built
- Approvals allow Galleria to be broken up in multiple pieces and piecemealed out to different development companies
- Could be dragged out over years and years of piecemeal development
- Profitable for applicant but terrible for the City
- Residents will get nothing good out of it
- Tract Map – break up into pieces – not necessary
- Dividing the property being promoted to financially benefit applicant
- Should be done as one integrated project with a limited construction period and occupancy withheld until full project is completed
- Public open space – just mall access
- Any revitalization plan should include more open space
- Added 300 apartments RHNA conflict – would have to mandate high percentage of low income housing
- Fully built-out City – no room for that many people
- Want Galleria revitalized but don't have to accept the first plan that is submitted
- CEQA as the law to guild developers regarding impacts
  - Traffic impact analysis
  - Should show changes in traffic conditions as a result
o Should measure conditions currently experienced and compare to after the project is built – applicant didn’t provide this comparison – they cherry-picked their data showing a lower impact – used traffic data from four years ago - November 2014 traffic study done when other high draw stores were at the Galleria that are not open now
o Difference of 23.75% increase in traffic
o No road changes that will eliminate the traffic effects
o Need current traffic data
o Adjust four year baseline for just one closed store to better reflect car trips, get 56% increase in traffic over today’s traffic. This doesn’t count the other stores that have closed. True comparison would show even higher. Data applicant used not applicable to this design.

• CEQA does not allow cherry-picking of data by applicant – violation
• Residents will have to suffer with increased traffic from bloated development – residents don’t want
• Project will make residents’ lives worse with more traffic than shown in applicant’s report
• Longer commute times, sitting in traffic
• Project should be rejected on this basis
• CUP – project at a minimum should resolve all traffic mitigations before construction begins
• Mall project too big – too many immitigable problems – needs to be rescaled
• Residential component with RHNA numbers - most damaging aspect to immitigable traffic problems - these residents of 300 apartments will compete with current traffic
• Project has too little public open space, and sidewalks, and medians are being counted as public open space
• Project adds more retail space – this component is diminishing
• No office building commitment
• Project vulnerable to be sold off to different developers
• Project should be rejected and sent back to QIC to be reworked incorporating these points – one should be in harmony with the surrounding communities

Mayor Brand called for public comment.

Mara Santos, Director of Communications Redondo Beach Chamber of Commerce, supported the project and stated the project is adding more open space and office space. She said they have worked with the Redondo Beach Unified School District, showing no negative impacts from the schools, and affordable housing will be provided.

Jennifer Zivkovic, spoke on behalf of Supervisor Janice Hahn, stated the Mixed Use project will revitalize the Galleria property and add 300 new apartments. She supported the affordable housing component, and suggested dedicating even more affordable housing.

Sue Ludwig supported the Galleria’s development, stated she is not afraid of the traffic, and said she has been shopping there for 30 years. She said she is a member of GPAC and said density is needed in high traffic areas on Hawthorne, providing a great way to interface with each other, commuting to work and to grow and thrive.

Bob Pinzler expressed concern with impacts from Metro and the circulation dynamic; constructions and traffic; residential units facing the elevated train; malls such as the Galleria are failing, sales tax revenue impaired; and stated the goal of Council is to determine a proper plan for the future.

Holly Osborne, District 5, noted a letter from Council was sent to Metro regarding a preference for the Greenline going down Hawthorne Boulevard which passed 5-0 and asked where the station would be located.
Laura Zahn expressed concern with no restrictions being placed on the proposed project from QIC.

Rob Gaddis, District 2, stated that QIC proposes that the Galleria project be broken up into smaller pieces and the new map would create 59 lots, allowing for future ownership with various entities, which should have been addressed by the Planning Commission.

Ernesto Medrano, Los Angeles and Orange County Building and Construction Trades Council, supported the South Bay Galleria Revitalization Project, allowing for 2,000 workers and an opportunity for many young men and women.

Sheila Lamb, District 4, noted a 65% increase in development and said it is important to weigh the risks against the potential rewards. She reviewed the risks to include impacting the health, safety and quality of life of the residents, increased traffic on Artesia Boulevard, increased greenhouse gas emissions, decreased traffic safety due to increased side street cut-throughs, increased burden on schools, parking, access to classes, increased population density, and more demand for City services. She also said that chain stores and malls are closing, and the developer wants to break up the property due to not knowing the true revenue.

Dan Elder, Planning Commission, thanked the City Council and staff, reviewed the Planning Commission’s decision, and said he has been meeting with members of the community. He noted concerns are traffic and residential components. He reviewed his reasons for supporting the project and said some increase in traffic would mean the project is successful. He said there are things that could improve the project and believed it will be a significant improvement for the community as a whole.

Shomari Davis, International Brotherhood of Electrical Workers, Local 11, supported the project and reviewed their benefits to the project.

Gus Torres, Local 250 Pipefitters, Welders, Apprentices and Refrigeration Techs, supported the project, reviewed the benefits and asked that the project be approved.

Steve Gerdes, Sheet Metal Workers of Local 105, supported the project, reviewed the benefits, and asked that it be approved.

Mitch Ponce, Iron Workers, supported the project, which will allow tax revenue to the City and hire local workers.

Omar Galindo, Local 78, supported the project and stated the project will create more jobs.

Don Szerlip suggested looking to QIC as an example of a corporation willing to compromise, and he supported moving forward with the project. He also supported the low and moderate income housing component added to the project and said an agreement needs to be put in place regarding setting the rents. He also said this is an opportunity to gain a huge amount of money in the Quimby Fees at $7.5M.

Dion Chow, General Manager AMC Theatres SB Galleria, stated they invested millions in revitalizing the area and believed the amenities are some of the best in the country. He supported the future and potential of the Galleria and encouraged moving forward and approving the project.

Karen Dorsam, District 4, expressed concern with adding more housing, impacts to the traffic, adding 8,000 more trips a day to the already crowded streets, impacts to schools, putting a burden on taxpayers, impacts to neighborhoods and safety, impacts to quality of life, and supported preserving the prestige of living in Redondo Beach.
Cindy Hazard supported the Galleria project and the addition to the community. She said changes are constant, improvement is beneficial, and the developer has reached out to the community and beyond. She said as a realtor, this project will help the property values of both Redondo Beach and neighboring cities. She also said the City is designated as a blue zone, and supported being walkable and bikeable, and encouraged ride sharing, saving multiple trips.

Bruce Szeles, Torrance, supported Mr. Boswell and suggested a substitute motion to have 100 affordable units and 50 low-low income units. He also noted a systemic problem with never saying no to development and not redoing the General Plan.

Robert Lovelace, representing the South West Regional Council of Carpenters, spoke on 77 carpenter families that live in this area who will benefit from the development. He supported the affordable housing and noted this has been a process of compromise and accommodation. He also noted infrastructure built decades ago which was done in steps with a foresight to do it, and now is the time to approve this project.

Melanie Cohen, District 2, believed the proposed project is too large and it is unknown as to what is coming with public transportation. She supported the Galleria to be an open space/retail center, and the South Bay Parkland Conservancy which is trying to bring more open space to the South Bay. She said 8,000 new car trips a day bring with it air pollution, and supported a smaller and better project that will help the residents of Redondo Beach live a better life.

Yelema Zeltser, Local 11, reviewed their activities and supported the South Bay Galleria Project which will provide permanent jobs, training, affordable units, and workers having access to the units. She said the project will be great for the workers, good for the surrounding community and a win for the City of Redondo Beach.

Ilya Klinger, District 4, stated commercial zoning has to be effective and retail is sub-prime. He stated having endless retail space while competing with the Del Amo Mall may backfire. He also expressed concern with impacts to Ripley Avenue, speeding traffic which will get worse with this development, and believed that the residents shouldn't be funding a potential $90M profit. He urged the City Council to reject the project and work with the developer for commercial space beneficial to the City.

Tony Czuleger, Redondo Beach, stated they received no outreach from the developer, stated the noise elevation from the parking structure needs to be addressed, suggested looking into stair stepping the structure on Hawthorne to mitigate the wall, and the extra height would be mitigated. He supported a sensible development, expressed concern with height impacts on the residential side, expressed concern with impacts to parking and stated additional parking needs to be provided.

John Hough, Condon Avenue, two blocks west of the South Bay Galleria, supported the Greenline going down Hawthorne Boulevard, believed this project is a tremendous opportunity to improve the community, spoke on his commute time which is decreasing as younger people are choosing other forms of transportation, stated Redondo Beach needs to keep pace with neighboring beach cities for discretionary dollars, and believed the QIC Investment is tremendous, noting there are no other developers offering anything close to it.

Wayne Craig, District 1, stated the Galleria needs significant renovation but not reinventing the same thing. He commended Mr. Boswell for talking to City Council and filing an appeal, having a public discussion, and he corrected that the project will not generate $7.5M in Quimby Fees. He supported affordable units but adding 15 units would not make much difference, and said there is no solid commitment to build office space and to keep residents/workers here. He supported going back to the drawing board and to come back with something that will work.
Jess Money, District 3, stated the remodel of the West Side Pavilion will emphasize high tech office space which should be considered, to stop thinking in terms of short-term financial gain with long-term financial problems, and said more housing will bring in more growth. He said the City is overbuilt, heavily dense, and more infrastructure can't be built which will destroy more of the environment. He said residential growth will not help us, stated the City survived during recession with some staff cutbacks, and the City has to live within its revenue. He said the project is not the way to go and it should be overturned.

Rolf Strutzenberg, District 1, stated QIC is an investment company, not a developer, and once the property is split up, it's done. He said there are a lot of little things wrong with the project which need to be redone, but urged that the project not be split up.

Sally Davis expressed concern with the parcels being broken up, impacts to Districts 3 and 4, traffic impacts and accidents on 182nd Place which is a major corridor that has not been mentioned in the project, and suggested the size of the project be reconsidered.

Elizabeth Morefield, District 2, stated the Galleria project needs to be considered as a part of the neighborhood and asked why the effect of Metro hasn't been incorporated into the design which should be the heart of project. She also expressed concern with breaking up the project into 59 pieces which should be a red flag, and the project should be able to be financed without 59 partners.

There being no one else wishing to comment, Mayor Brand closed the public comment period.

**Rebuttal Appellant**

Mr. Boswell discussed the following:

- Vast number of trades that attended tonight
- Not ending the project – need to build it correctly and to be in harmony with the community and the size not be locked in
- Want certain changes that will greatly enhance the economic vitality
- Office building on the property – stimulate a silicone corridor down Artesia
- Want to be the place where jobs locate
- City analysis flawed - need proper traffic information and baseline and noted CEQA violation to cherry-pick data
- Intersection at Hawthorne/Artesia and other intersections can't be mitigated and streets can't be widened
- Traffic backing up to the freeway north or south – right turn lane not be dedicated – reducing traffic eastbound, allowing more northbound, getting in line to get to the freeway – What is the purpose in changing that intersection?
- Traffic going down 182nd Street and 177th Street to get to Prairie – impacts from 300 apartments
- 8,000 extra car trips – already practically impassable and doing studies on incorrect data
- General Plan outdated and doesn’t apply – can’t quote it
- Real estate values in the South Bay will go up no matter what – coastal real estate is where people want to live
- Water in Southern California becoming a desperate situation - water feature at the Galleria? Questioned how the project will fit into the City’s environment
- Questioned affordable housing and rents being out of control
- City is over 100 years old – built out – no more room
- Questioned if the plan has been changed based on community feedback and making it the mall of the future
- Mall deteriorating down to what it is now – unmaintained and crime – stores moving out

MINUTES – CITY COUNCIL MEETING
Tuesday, October 2, 2018
Page 14
QIC bought ten malls all at once and have plenty of money. Could have been keeping the mall up and keep it presentable and questioned if QIC is being honest

- Scale back to make traffic issues potentially mitigatable – smaller retail, no residential, have an office building supporting the mall
- Once break up mall, can’t put back together - won’t have a South Bay Galleria or a large development
- Not trying to stop the mall – just want to make sure the mix is proper, benefit to QIC, trade unions, residents and North Redondo

### Rebuttal Applicant:

Mr. Alderson discussed the following:

- The CEQA process is very detailed and governed by state law with very little wiggle room
- Staff has prepared a document professional in nature and he is not qualified to answer questions on the technical details
- Clarified that they have not withheld data, have not cherry picked the data, there is no conspiracy, have been upfront and honest, delayed the project to make sure information is accurate and citizens can respond
- Used Redondo Beach calculation for open space, delivering 54% more open space than what is required
- Met with Mr. Boswell and Mr. Gaddas, believed in the process which makes this better
- Noise issues coming from existing parking garage indicated by a resident - project will be made better because of this mitigation and supported the suggestions of design
- Grew up in Redondo Beach, this is his home – not just an investment deal
- Agreed to build up to 175,000 square feet of office and only left with 42,000 square feet of new retail – intent is to build as much office as the market will uphold
- Retained services of CVRE to assist in the design
- Supported Silicone Beach coming down to Redondo Beach but that market isn’t here yet
- Developed nearly $3 billion products like this and did exactly the same thing – record the final map has to be precise with a lengthy process
- Not in the hotel business – no intent to subdivide and sell off this property
- QIC is a long-term investor and holder of real estate
- QIC has many businesses – works for Global Real Estate – developer of shopping malls
- Came here in earnest – made large purchase in US – Redondo Beach first development opportunity
- Have been honest, listened to the community, made adjustments and will continue to do so until they get it right
- Retail – for every Amazon effect there is an opposite reaction – online retails now popping up in brick and mortars
- Amazon is opening books stores, grocery stores and brick and mortar stores
- Understand the risk and space – made better with the introduction of office and housing
- Investors rely on a return
- Asked to ascertain their risk and go forward

Motion by Councilmember Horvath, seconded by Councilmember Nehrenheim, to receive and file the affidavit of publication, case file and written correspondence. Motion carried unanimously.

### City Council Questions:

Councilmember Nehrenheim stated this is a commercial regional project, the entryway needs to be impeccable, supported the presentations, noted a lot of paperwork and documentation, conversations with many people, and said he did a tour of the South Bay, South Bay Galleria and Del Amo. He also pointed out that the Plaza, Edge, and the Point are all one development.
In response to Councilmember Nehrenheim regarding the current vacancy rate in the mall, Mr. Alderson stated the mall is not completely full.

Councilmember Nehrenheim stated he spoke to business owners at the mall with one stating a 50% reduction in foot traffic after Nordstrom’s left and the parking lot being empty. Mr. Alderson stated if the business climate continues at the South Bay Galleria as it is, there will be a bigger problem in the City, dealing with a much higher vacancy rate with other problems. He also said Nordstrom’s acts as a true anchor.

Councilmember Nehrenheim asked about the retail makeup in the proposed project. Mr. Alderson reviewed examples.

In response to Councilmember Nehrenheim regarding the South Bay Marketplace renovation, Mr. Lee gave a history and said the process started in 2010 and the renovation took about two years. He also said Forest City sold the property off.

In response to Councilmember Nehrenheim regarding the following questions, Mr. Alderson stated they will be marketing to first class tenants in a campus style. He said they don’t have retail tenants yet, reviewed the timeline moving forward, and believed within a year should have documents to the City for permits. He said the construction period should last about 30 months, and he reviewed projects he has worked on in the past. He said the mall will be open during construction but the project won’t be phased. He suggested automated parking systems could be considered if needed, but said there is a truck ramp going underground already and will be expanded. He said the cost for a parking stall varies from $25K to $35K a space in today's dollars. He stated they have not engaged with the Greenline much yet, but said they will have to consider their entitlement. He stated the mixed-use project should be successful per their plans, being an integration of different uses in a way that works off each other, providing a 24-hour presence and bringing business to other parts of the project when slow and activates common areas. He said the average size of retail changes which is a market condition dealing with the tolerance of retail. He reviewed the Point in El Segundo and supported the use of open space which is appropriate for the size, but is much different from the South Bay Galleria with a much smaller FAR with very small buildings in the middle of the open space.

Councilmember Nehrenheim expressed concern with the massive scale of the buildings. Mr. Alderson said they could bring in smaller buildings but it would be at the compromise of open space. He said the Galleria project is much larger than the Point and they do not intend to break it off. He supported safe and active open space and dining up against it is also important. He did not call the Point as meaningful open space. He also said the massing of the proposed buildings for the Galleria has been carefully planned out.

Councilmember Nehrenheim stated Manhattan Village is doing an upgrade right now and didn’t change their tract map at all. He noted concern with the vesting map showing 59 different parcels. He also said people want to see a long term goal and cohesiveness.

In response to Councilmember Nehrenheim, Mr. Alderson stated they will be bringing in financial partners to develop the project.

Councilmember Nehrenheim asked how the low vacancy rate affects the traffic EIR and what standards were used and when.

Outside Counsel Tyson Sohagi, Sohagi Law Group, explained that under CEQA, the baseline conditions are at the time of the NOP which was October 2015 and baseline traffic data taken in 2014. He noted Allegation 47 and reviewed a court case which upheld the use of the fully operational mall.
Councilmember Nehrenheim stated the applicant is applying for a variance for two stories for six stories on residential. Community Development Director Jones explained that a mezzanine is not a level. He said the intent is residential permitted above ground floor retail and is consistent with the policy of residential above retail. He said the applicant is proposing to build 300 units.

In response to Councilmember Emdee regarding reducing the project by 200,000 square feet and the intersections still having to be mitigated, Community Development Director Jones stated staff conducted a sensitivity analysis which tests traffic and development, and believed no more than 30,000 feet can be built before triggering the same traffic impacts.

Traffic Engineer Spencer Reed explained that the analysis shows the project can generate 32 pm inbound trips before having a significant impact at the 405 and northbound off ramp at Artesia, and the ballpark numbers are about 30,000 square feet of restaurant or retail. He also said the intersection is significantly impacted and immittigable.

In response to Councilmember Emdee regarding the general rule for water usage, Community Development Director Jones included a water supply assessment and the City of Torrance services this property, and per unit is drastically lower than other types of residential.

In response to Councilmember Emdee regarding the right turn from northbound Inglewood to eastbound Artesia and traffic backing up onto Inglewood, Traffic Engineer Reed believed providing additional capacity for the large number of vehicles going northbound will improve the intersection as identified in the analysis.

In response to Councilmember Emdee regarding eliminating housing and the evening traffic, Traffic Engineer Reed said it was found there would be a decrease in the AM peak traffic but an increase in PM peak traffic with no change to impacts.

In response to Councilmember Emdee regarding synchronizing the lights at Redondo Beach Boulevard and Artesia, Public Works Director Semaan said there are plans to look at the coordination efforts and modifications, especially when there are changes in uses. Community Development Director Jones pointed out that the project will have to retime these signals anyway.

In response to Councilmember Emdee, City Engineer Reed said the 8,000 additional trips are for the initial project application, but the additional is actually 5,842.

In response to Councilmember Emdee regarding the Quimby Fees and the $7.5M, Community Development Director Jones explained that the developer with a project at 50 units or more has a choice of either providing public park space or paying $25K per unit. He also said the project is compatible with the General Plan with the objective to create a central focal point for the community with active retail shopping, dining, lodging and living. He said there is a full public safety and policing plan and the applicant has agreed to the very extensive public service offset necessary to make the project safe and not demand more of the city services, funding the one time and ongoing costs.

In response to Councilmember Emdee regarding the Metro stop going down Hawthorne, Assistant City Manager Witzansky pointed out that the Greenline is many years away and it would be difficult to predict where a stop would be located. He also said if it follows the Hawthorne track, the stop would be built somewhere within the Hawthorne right-of-way, and the station wouldn’t be on the Galleria property. He also referred to the City’s Transit Terminal and it is not the cemetery being serviced by the Transit Center but is actually the Galleria side to the east.

In response to Councilmember Horvath, Outside Counsel Sohagi explained the appeal procedures.
In response to Mayor Brand regarding a de novo hearing on the project as a whole, City Attorney Webb explained that there are four items being appealed, the CUP, the design review, the vesting tentative map, CEQA and EIR. He said the hearing is de novo but there shall be grounds for denial if the exhaustion requirements are not met. He said no matter what action is taken, there could be a lawsuit and it is important the decision complies with the code and rules. He said it is important to just focus with issues dealing with CEQA when it comes to the one appeal, but the other items would be de novo.

Mr. Boswell stated the CEQA part of his appeal states that all effects of the project including traffic and noise are not adequately evaluated and this is referenced in the CEQA section.

Councilmember Horvath pointed out that the staff report doesn’t find merit to the appeal, and Mr. Boswell said he did not see the staff report.

Mr. Boswell stated he decided to file the appeal which has been a long process. He said he doesn’t want the project stopped but just to better consider its negative impacts on the immediate community and greater community. He said that QIC only has to make some crucial changes that will better mitigate the impacts, and the project needs to be smaller. He also pointed out that people working in the buildings would be driving against the flow of traffic which will flow better.

Councilmember Horvath stated that commercial office space could be maximized generating more traffic than the retail component, and said the developer is finding campus type tenants creating a catalyst for a Silicon Beach. He also asked about the required minimum of commercial office space. Mr. Boswell said there is a number and the experts would need to figure it out. He also said there is an opportunity to create something very beneficial to the mall.

Councilmember Horvath pointed out that potential residents may use the space in the same way as those working in the office space. Mr. Boswell noted that 93% of residents don’t work in Redondo Beach and the working professionals are nowhere near the mall during the day.

In response to Councilmember Horvath regarding the residential and it helping the vision, Mr. Alderson stated residential is important because it is a very important part of building the community to differentiate the Galleria into a multifaceted piece of real estate used in many different ways at different times of day.

Councilmember Horvath asked about open space on green roofs, microgrid, and going green.

Community Development Director Jones explained that the project will be conditioned to provide 37mw hours of solar energy, a cool roof underneath, use of reclaimed water, latest Title 24, low flow/low flush, etc.

In response to Mayor Brand, Outside Counsel Sohagi referred to AB32 and SB32 and stated the EIR used two different thresholds and the project ultimately results in the reduction of greenhouse gas emissions. He said the EIR did conclude the project is consistent with the statewide goals.

Mayor Brand questioned how vehicle miles traveled are going down when increasing square footage of the development by 65%.

Councilmember Horvath supported a larger setback at Hawthorne and Artesia for better connectivity. Mr. Alderson said there is ample opportunity to create greening of the major corridors and some relief from the traffic. He also believed that the corners of the property tend to be harsh especially on the Hawthorne corners and should be set back.
Councilmember Horvath suggested including the Kingsdale corner as well. He also questioned having the street between Kohls and the potential commercial office space where more open space could be created. Mr. Alderson stated access and circulation is important, and the road would be needed for fire and safety.

In response to Councilmember Horvath regarding the subterranean parking, Mr. Alderson reviewed the existing grades of the subterranean parking and said the south parking structure on Kingsdale has already been reduced dramatically.

In response to Councilmember Horvath regarding flexibility for parking, Mr. Alderson said the parking structures can be repurposed. He also said QIC will investigate noise issues in the parking lot and noted there are many things that can help mitigate it such as landscaping and security.

In response to Councilmember Horvath regarding the intersection at 177th and having something to help improve the flow, Mr. Alderson stated he can’t recommend a solution currently but this will be studied, and to help mitigate the backing up on Hawthorne Boulevard.

In response to Councilmember Horvath regarding having a community center/fitness component serving the neighborhoods, Mr. Alderson said this is still a consideration but said certain tenants do widen that offering to a greater civic nature such as childcare services and community engagement, etc.

In response to Councilmember Horvath regarding having permanent supportive housing as part of the project, Mr. Alderson said the proposal is 5% of very low or 10% of low which is an important combination and need in the community. He said they are not considering bridge housing at this time.

Councilmember Gran thanked the Planning Commission, staff and Mr. Boswell for their hard work and noted everyone wants this project to be successful. He also said the City currently doesn’t have a certified Housing Element and asked if a decision can be made on this project. Outside Counsel Sohagi stated yes, and explained the Housing Element and the current regulations in place at the moment and stated the Housing Element was updated and other components of the General Plan has been updated with time. He said if the residential component were denied, the 1397 would have to be made up elsewhere in the City. Community Development Director Jones explained that there are sites available without the project of about 1340 with 57 more needed. He pointed out these locations would be established neighborhoods where it may not be desired to have increased development.

Councilmember Gran read a letter received from the Redondo Beach Unified School District, noting the School District is not opposed to the growth plans submitted and the District has in place a plan to manage any additional families as a result of additional housing and enrollment in the schools.

In response to Councilmember Gran regarding responses to the appeal, Mr. Boswell said it is important that he speak about the deficiencies that actually exist.

In response to Councilmember Gran regarding the traffic model and how it is used in other cities, Community Development Director Jones said there is a full description in the backup materials to the EIR, and reviewed the MXT model which is highly predictive to traffic and has been tested nationwide on more than 100 sites. He also said office has a strong morning peak which coincides to about the same amount for residential, and the afternoon peak could vary. He stated directional traffic is the biggest problem in the South Bay, and believed office will be the positive component of the project.

MINUTES – CITY COUNCIL MEETING
Tuesday, October 2, 2018
Page 19
Councilmember Gran requested statistics on how many cars go up and down Hawthorne Boulevard and Artesia Boulevard every day.

Mr. Boswell said the model is good but the baseline data is the problem, and requested current data.

Councilmember Gran noted a survey online and stated approximately 83% of people responding noted no change in traffic since Nordstrom’s has left. Mr. Boswell said there is no change due to infill in between, with new traffic from overdevelopment.

Outside Counsel Sohagi clarified that the methodology used in the traffic analysis is consistent with the California Environmental Quality Act and sets the time of the baseline.

Mr. Boswell agreed that the numbers are legal but not valid.

Councilmember Gran stated staff and the legal team adheres to CEQA.

In response to Councilmember Gran regarding allegations being copied from a different EIR verbatim, Mr. Boswell stated his time was limited and said borrowing text is not illegal.

In response to Councilmember Gran regarding allegations 11-36 being denied in the other EIR, Outside Counsel Sohagi did not believe this is relevant and stated the purpose of pointing out they were copies is due to the City’s appeal procedures.

In response to Councilmember Gran regarding using recycled water, Mr. Alderson stated he was concerned about the distance between the supply and their location which is about a mile away and believed bringing the supply to their site and accommodating it with a purple pipe and reclaimed water on their site seems to be a bit much. He suggested contributing but did not want all the burden.

Councilmember Gran suggested obtaining a report on how much potable water is being used/saved, noting usage needs to be shown in order to obtain grants. Mr. Alderson said they would be happy to participate in a study.

In response to Councilmember Gran regarding the entry point to the Edison Right of Way bike path, Mr. Alderson stated they would be willing to help in a study, noting a deficiency between Felton and to the property.

In response to Councilmember Gran, Assistant City Manager Witzansky stated that Quimby Fees and Measure M are two possible funding sources and said there are a variety of active transportation funds also available.

Councilmember Gran supported walking around the entire area and having a designated track that is contiguous going through. Mr. Alderson supported walkability of the project all along the property which is easy to accomplish at Kingsdale and 177th Street, but is tight along Hawthorne and Artesia.

Councilmember Gran supported this project being a gateway to Redondo Beach and to ensure people know they are in Redondo Beach all the way down Artesia Boulevard. Mr. Alderson agreed and said it is important to be part of the project.

In response to Councilmember Loewenstein regarding QIC, Mr. Alderson said there is a private equity component to their business, and said he represents the Global Real Estate Business which has several investors, looking to maintain this enterprise as a US enterprise. He said most
of the properties are Australian retail, and said there is one asset under development in Melbourne that is true mixed use. He also said their retail assets include an additional amount of civic uses.

Councilmember Loewenstein stated Australia tends to operate differently than US companies and is more socially responsible. He also said most of the projects do not have residential but they do have offices feeding into them.

In response to Councilmember Loewenstein regarding the parcels, Mr. Alderson stated multiple lots allow for multiple ownership but this is not their goal and said they are the future ownership allowing flexibility of financing.

Councilmember Loewenstein expressed concern with multiple parcels and said the future is unknown. Mr. Alderson said their intent is to build the property out in one effort.

In response to Councilmember Loewenstein, Traffic Engineer Reed said most of the traffic numbers come from November 2014.

In response to Councilmember Loewenstein regarding the timeline, Mr. Alderson stated the project should be a year to 15 months in design, permit process would take some time and a 30-month build after that, with full construction and completion around 2023/2024.

Councilmember Loewenstein pointed out that 2024 is ten years from the 2014 numbers and four years from when the Greenline is completed and a possible at grade crossing at Redondo Beach Boulevard, creating a lot of traffic impacts.

Outside Counsel Sohagi stated the traffic analysis did a cumulative analysis to 2023, but didn’t account for the Greenline extension due to a timing issue.

Councilmember Loewenstein stated using population numbers is a bit misleading, noting Redondo Beach has not grown over the years in population by that much, commercial activity has waxed and waned and expressed concern with impacts to quality of life and traffic impacts.

Councilmember Loewenstein supported the applicant and being honest, and supported the investment in the community and something happening at the site.

In response to Councilmember Loewenstein regarding the $7.5M of Quimby Fees, Community Development Director Jones stated it would be the market value of $7.5M in land.

Councilmember Loewenstein pointed out that Redondo Beach is a bedroom community and expressed concern with 300 putting a dent in terms of people working and living at the site which may only be around 10%.

Mr. Alderson supported the affordable housing component which provides opportunity for those working there to live in the residential.

Councilmember Loewenstein noted a different demographic in Redondo Beach and believed the City would be lucky to get one tech company down here. He also expressed concern with people bypassing Redondo Beach and just moving south to Torrance if a working environment isn’t created. He believed that 50,000 square feet is a drop in the bucket compared to what it could be.

Mr. Alderson stated from a financial standpoint, he makes at least double in rent on the retail than residential and are still willing to reduce the retail amount to commit to office, and willing to take capacity to introduce housing, believing the mix of uses is important to create a microcosmos of the community. He said they are comfortable with 300 units at this time.
Mayor Brand thanked the applicant for the investment and stepping in and presenting a project, and also thanked Mr. Boswell, noting the new appeals procedure is too restrictive and difficult.

Mayor Brand asked about the sustainability goals, new guidelines and a reduction of 19% of greenhouse gas emissions. Outside Counsel Sohagi stated CEQA does not mandate any specific methodology and noted difficulty taking a statewide standard and reducing it down to a local goal.

Mayor Brand referred to the diagram and expressed concern with a series of boxes and a wall of buildings. He said the open space doesn’t even compare to the Metlox Plaza and questioned why people would go there. He said he would like to see a more wow factor, and expressed concern with a subdivision of parcels.

Mr. Alderson explained that QIC is a long-term investor, long-term purchasers and keepers of real estate, and don’t like selling. He said the diagram is just a massing diagram and the architecture needs to be articulated on the exterior.

Mayor Brand said he doesn’t see enough open space which would attract people. Mr. Alderson said the open space is nearly 7 acres.

In response to Mayor Brand regarding a prevailing wage project, Mr. Alderson said they have a project labor agreement. He also said the School District stated they could accommodate 400 units.

In response to Mayor Brand regarding Lawndale, Mr. Alderson stated there are several long-term traffic enhancement programs along Hawthorne and Artesia addressing ease of travel.

Mayor Brand noted concern about the General Plan consistency, noted the Land Use Element states that the CR zone states that residential units on the second floor and higher integrated with commercial provides impacts are mitigated. Outside Counsel Sohagi stated this is addressed in the appeal allegations, and said the language cited in Table 2 is just a summary of policies.

Mayor Brand said Redondo Beach is a built out community, and 30,000 square feet can’t even be added to the Galleria Mall without significant impacts to traffic which cannot be mitigated, and noted F intersections around the project.

Traffic Engineer Reed stated Artesia and Hawthorne is reported as an LOS D, and F intersections include Prairie and Redondo Beach Boulevard and Inglewood and 190th Street. He explained that an F intersection has significant congestion and causes traffic to sit through multiple cycles. He also stated the 30,000 square feet in development would cause an impact at the northbound 405 off ramp on Artesia and this intersection operates at LOS F.

Mayor Brand expressed concern with adding more traffic, noting intersections are already failed, and the impacts will be worse with a 65% increase in development. He said investors want to maximize, but he didn’t see the wow factor with this project.

In response to Mayor Brand regarding breaking up parcels, Mr. Alderson said the project will be built in one phase and their intent is to be the owner, operator and developer of the project, and said they have not talked to anyone about selling it.

Mayor Brand expressed concern with a risk of not doing something or approving something too big.

In response to Councilmember Nehrenheim regarding synchronized traffic signals, Community Development Director Jones said the only recent traffic signals installed were for the hotels at
Marine Avenue and the 1800 PCH project, and a Caltrans signal at Pearl and 190th. Assistant City Manager Witzansky noted an active CIP for synchronization along Grant and currently working with the COG along the PCH corridor. He noted there is no funding in the CIP for synchronization at the intersection in concert with both Lawndale and Torrance.

Councilmember Nehrenheim referred to Goal 10 regarding a traffic impact mitigation fee. Community Development Director Jones believed it would be better for the applicant to pay their share rather than just to pay an impact fee. He also said the three intersections not being mitigated are regional issues that would be suitable for a future traffic impact fee Citywide and area wide.

Councilmember Nehrenheim referred to levels of service and noted four F AM and PM levels in 2007, and in 2030 it is forecasted to have 19 intersections of an F level. He believed impacts are not mitigated regarding the project and also did not support a variance for the six stories of housing.

Community Development Director Jones stated a series of findings were made in granting the variance, and said the site is unique zoned regional commercial and the existing property is already developed with structures up to 90+ feet in height granted by a prior variance. He also said the variance would allow for more open space, and noted five pages of findings relative to a variance.

Councilmember Nehrenheim said he would like to see a higher level of affordable and suggested taking off the top floor. Community Development Director Jones stated there is room to identify alternative sites if residential is reduced and said the height is consistent with code.

Councilmember Nehrenheim stated the building is massive at 60 feet which is the largest building on site except for the movie theatre, and believed it is not compatible. He also referred to the Manhattan Beach Village and noted many changes took place but they were still sued.

In response to Councilmember Nehrenheim, Mr. Alderson stated that QIC bought the property in 2013 and completed the acquisition in December 2017, and he was hired in March 2018. He also said the buildings could still be moved around, creating more setbacks and a track around the project. He stated from the face of the curb into the first building would be 18 feet, allowing for a 12-foot sidewalk and 6-foot landscape area, but this is difficult around a corner. He suggested making the corner round or cutting it off, and pointed out that designs presented are not the final design.

Councilmember Nehrenheim referred to the major retail in the middle and suggested breaking up retail #11 and adding smaller buildings. Mr. Alderson said it is difficult to depict the size of open space and suggested having a design review with staff.

Councilmember Emdee referred to retail #11 and noted an outdoor/indoor event space in that area with two buildings.

Councilmember Nehrenheim also said this project does not have a wow factor or sense of place being created as a real draw.

In response to Councilmember Gran, Traffic Engineer Reed explained the existing peak hour volumes for Hawthorne and Artesia which is 7 to 10 percent of daily traffic. He also said the 1900 being referenced is the number of the raw rate. He also confirmed that the car trips generated by residential is approximately 2% of the traffic.

In response to Councilmember Gran regarding the military and teachers program being expanded to 30 units, Mr. Alderson stated they have not discussed any more affordable housing. He also
said he would be willing to grow the 15 unit number to an acceptable amount. He suggested holding this request until the end of proceedings, and considering all recommendations at once.

Assistant City Attorney Park advised a motion to continue the Public Hearing take place before a motion is made to close the Public Hearing so it would not have to be re-noticed.

City Attorney Webb advised continuing the Public Hearing first and if this fails, to then close it. He also clarified that public comment would have to be taken again but not from the appellant and applicant.

Councilmember Emdee expressed concern with having to go through the entire process again if a decision isn’t made tonight.

Councilmember Nehrenheim pointed out that the CUP still needs to be discussed as well.

Motion by Councilmember Nehrenheim, seconded by Councilmember Loewenstein, to continue Item L1 to the October 23, 2018 City Council meeting. Motion carried, with Councilmember Emdee voting no.

M. ITEMS CONTINUED FROM PREVIOUS AGENDAS – NONE

N. ITEMS FOR DISCUSSION PRIOR TO ACTION - NONE

O. CITY MANAGER ITEMS – NONE

P. MAYOR AND COUNCIL ITEMS – NONE

Q. MAYOR AND COUNCIL REFERRALS TO STAFF
   Motion by Councilmember Horvath, seconded by Councilmember Emdee, that the City Attorney provide a report to Council about what the Council can and cannot do regarding items heard in Closed Session. Motion carried unanimously.

R. RECESS TO CLOSED SESSION – NONE

T. ADJOURNMENT – 1:19 A.M. (WEDNESDAY, OCTOBER 3, 2018)

There being no further business to come before the City Council, Motion by Councilmember Emdee, seconded by Councilmember Loewenstein to adjourn the meeting at 1:19 a.m. to an adjourned regular meeting to be held at 4:30 p.m. (Closed Session) on Tuesday, October 9, 2018 in the City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California. Motion carried unanimously.

Respectfully submitted,

Eleanor Manzano, City Clerk