AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk’s office during normal business hours. Such documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager’s Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, SEPTEMBER 5, 2017 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250.
SPECIAL ORDER OF BUSINESS:

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -2- matters

1. Rapoza vs. City of El Segundo, Workers’ Comp. Board Case No. ADJ9902478

2. Browning vs. City of El Segundo, Workers’ Comp. Board Case No. ADJ10291942

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -0- matters.


DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): -2- matters

1. Public Employee Performance Evaluation
   Title: City Manager

2. Public Employee Performance Evaluation
   Title: City Attorney
APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matter

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -4- matters

1. Employee Organizations: Police Management Association; Supervisory and Professional Employees Association; City Employees Association and Fire Fighters Association.

   Agency Designated Representative: Labor Negotiator, Irma Rodriguez Moisa and City Manager, Greg Carpenter

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters
AGENDA
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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, SEPTEMBER 5, 2017 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Wes Harding, the Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Dugan
PRESENTATIONS

a) Presentation – Arts & Culture Advisory Committee presents a mural project for Recreation Park Clubhouse.

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

1. Consideration and possible action to receive and file a discussion of the state of Imperial Avenue near the airport. In particular, the landscaping in the center median all the way from the 105 Freeway to Pershing. The median has an abundance of weeds on a consistent basis.

Recommendation – 1) Receive and file report; 2) Alternatively, discuss and take other possible action related to this item.

Agenda item from the General Public, Daniel Grubbs

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

2. Consideration and possible action regarding the following matters which relate to the potential approval of a project to make improvements to the golf course and club house and convert the driving range to a Top Golf facility at the existing Lake’s at El Segundo golf course and driving range owned by the City (located at 400 S. Sepulveda Boulevard)
- Environmental Assessment No. EA-1135, to certify and approve a Final Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);
- General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from "Parks", to "The Lakes Specific Plan"(SP No. SP 16-02 -this action will not become effective unless and until the zone change identified below is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved);
- Zone Change No. ZC 16-01 and Zone Text Amendment ZTA 1604, to change the underlying land use zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) and CPR/OS (Commercial Public Recreation/Open Space);
- Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course(this action will not become effective unless and until the zone change identified above is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved);
- Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan (this action will not become effective unless and until the zone change identified above is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved);
- Conditional Use Permit No. CUP 16-05, to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities (this action will not become effective unless and until the zone change identified above is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved); and,
- Authorize the City Manager to execute Amendment No. 3 to the Lease Agreement between the City and CenterCal LLC, for purposes including but not limited to golf professionals, City programs at the driving range, extending the due diligence period and title review period, potential installation of lighting at the golf course by CenterCal, and approving a new Exhibit D related to the golf course and club house improvements.

Applicant: CenterCal Properties, LLC

(Fiscal Impact: )

Recommendation – 1) Conduct a public hearing and take testimony and other evidence presented; 2) Adopt Resolution No. ____, certifying the Final EIR and adopting environmental findings and a Mitigation Monitoring and Reporting Program; 3) Introduce Ordinance No. ____ (Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04), amending the Zoning
Code and Zoning Map contained in the El Segundo Municipal Code, and creation of The Lakes Specific Plan; 4) Schedule second reading and adoption of the Ordinance for October 3, 2017; 5) Authorize the City Manager to execute Amendment No. 3 to the Lease Agreement between the City and CenterCal; 6) Disband the ad hoc committee - the Golf Course Design Task Force; [Note: the following items does not need to be acted on until the potential second reading takes place with respect to item no. 3 above and if it is acted on it will not become effective unless and until the Ordinance in item no. 3 becomes effective] 7) Adopt Resolution No. ____, General Plan Amendment No. 16-01 and Specific Plan No. SP 16-02, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05; and/or, 8) Alternatively, discuss and take other possible action related to this item.

C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

3. Consideration and possible action to announce the appointments to the Library Board of Trustees.
   (Fiscal Impact: None)

   Recommendation – 1) Announce the appointees to the Library Board of Trustees; 2) Alternatively, discuss and take other possible action related to this item.

E. CONSENT AGENDA

   All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

4. Warrant Numbers 3017684 through 3017943 on Register No. 22 in the total amount of $1,801,836.47 and Wire Transfers from 08/07/2017 through 08/27/2017 in the total amount of $3,183,750.76.

   Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.
5. Special City Council Meeting Minutes of July 11, 2017, Special City Council Meeting Minutes of August 8, 2017, Regular City Council Meeting Minutes of August 1, 2017 and Special City Council Meeting Minutes of August 1, 2017.

Recommendation – Approval

6. Consideration and possible action regarding approval of an amendment extending the management agreement between the El Segundo Senior Housing Board Corporation and the Cadman Group for the property management of Park Vista Senior Apartments, 615 East Holly Street.

(Fiscal Impact: None)

Recommendation – 1) Approve the amendment extending for three years the agreement between the El Segundo Senior Citizen Housing Corporation Board and the Cadman Group for operation of Park Vista Senior Apartments, 615 East Holly Street; 2) Alternatively, discuss and take other possible action related to this item.

7. Consideration and possible action to authorize the City Manager to enter into an agreement approved by the City Attorney with Pyro Spectaculars for the amount of $30,000 to operate a fireworks show on October 7, 2017, as part of the Centennial Celebration event, Celebrate!, at El Segundo High School.

(Fiscal Impact: Centennial Celebration Sponsorship Funds $30,000)

Recommendation – 1) Authorize the City Manager to execute agreement approved by the City Attorney with Pyro Spectacular; 2) Alternatively, discuss and take other possible action related to this item.


(Fiscal Impact: $221,444.85)

Recommendation – 1) Authorize the City Manager to execute a standard Public Works Contract in a form as approved by the City Attorney with Rojas Construction in the amount of $201,313.50 plus a 10% contingency of $20,131.35; 2) Alternatively, discuss and take other possible action related to this item.
9. Consideration and possible action to waive second reading and adopt ordinance streamlining Electric Vehicle charging station permitting process.
(Fiscal Impact: None)
Recommendation – 1) Waive second reading and adopt the Ordinance; 2) Alternatively, discuss and take other possible action related to this item.

F. NEW BUSINESS

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

10. Consideration and possible action regarding Introduction of an Ordinance consolidating future stand alone municipal elections in the City with Statewide November even year elections to comply with the California Voter Participation Rights Act (California State Senate Bill 415).
(Fiscal Impact: Estimated Savings of $20,000.00)
Recommendation – 1) The City Council introduce an Ordinance establishing new General Municipal Election dates to be held in November of even years beginning November 2020 (Option A) or 2022 (Option B); 2) Alternatively, discuss and take other possible action related to this item.

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann –

Council Member Pirsztuk –

Council Member Dugan –
Mayor Pro Tem Boyles –

Mayor Fuentes –

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MEMORIALS –

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: Aug 31, 2017

TIME: 3:22 PM

NAME:
Presentation

Arts & Culture Advisory Committee
Presents a mural project for Recreation Park Clubhouse.
PUBLIC COMMUNICATIONS

1. Consideration and possible action to receive and file a discussion of the state of Imperial Avenue near the airport. In particular, the landscaping in the center median all the way from the 105 Freeway to Pershing. The median has an abundance of weeds on a consistent basis.
(Fiscal Impact: Unknown)

Recommendation – 1) Receive and file report; 2) Alternatively, discuss and take other possible action related to this item.

Agenda item from the General Public, Daniel Grubbs
AGENDA DESCRIPTION:
Consideration and possible action regarding the following matters which relate to the potential approval of a project to make improvements to the golf course and club house and convert the driving range to a Top Golf facility at the existing Lake’s at El Segundo golf course and driving range owned by the City (located at 400 S. Sepulveda Boulevard):

- Environmental Assessment No. EA-1135, to certify and approve a Final Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);
- General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from “Parks”, to “The Lakes Specific Plan” (SP No. SP 16-02 - this action will not become effective unless and until the zone change identified below is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved);
- Zone Change No. ZC 16-01 and Zone Text Amendment ZTA 1604, to change the underlying land use zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) and CPR/OS (Commercial Public Recreation/Open Space);
- Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course(this action will not become effective unless and until the zone change identified above is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved);
- Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan (this action will not become effective unless and until the zone change identified above is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved);
- Conditional Use Permit No. CUP 16-05, to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities (this action will not become effective unless and until the zone change identified above is approved and the Council could delay action on this item until the meeting where the zone change could be potentially approved); and,
- Authorize the City Manager to execute Amendment No. 3 to the Lease Agreement between the City and CenterCal LLC, for purposes including but not limited to golf professionals, City programs at the driving range, extending the due diligence period and title review period, potential installation of lighting at the golf course by CenterCal, and approving a new Exhibit D related to the golf course and club house improvements.

Applicant: CenterCal Properties, LLC

RECOMMENDED COUNCIL ACTION:
1. Conduct a public hearing and take testimony and other evidence presented;
2. Adopt Resolution No. _____, certifying the Final EIR and adopting environmental findings and a Mitigation Monitoring and Reporting Program;
3. Introduce Ordinance No. ____ (Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04), amending the Zoning Code and Zoning Map contained in the El Segundo Municipal Code, and creation of The Lakes Specific Plan;

4. Schedule second reading and adoption of the Ordinance for October 3, 2017;

5. Authorize the City Manager to execute Amendment No. 3 to the Lease Agreement between the City and CenterCal;

6. Disband the ad hoc committee - the Golf Course Design Task Force;

[Note: the following items does not need to be acted on until the potential second reading takes place with respect to item no. 3 above and if it is acted on it will not become effective unless and until the Ordinance in item no. 3 becomes effective]

7. Adopt Resolution No. ____, General Plan Amendment No. 16-01 and Specific Plan No. SP 16-02, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05; and/or,

8. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution No. ____, certifying the Final EIR with:
   - Exhibit A titled “Environmental Findings of Fact”, and
   - Exhibit B titled “Mitigation Monitoring and Reporting Program”

2. Resolution No. ____, conditionally approving EA-1135, et. al.

3. Proposed Ordinance No. ____. 

4. Planning Commission Resolution No. 2820, recommending that the City Council certify the EIR for The Lakes Specific Plan and Topgolf facility project (without attachments)

5. Planning Commission Resolution No. 2821, recommending that the City Council adopt an Ordinance and approved the applications associated with The Lakes Specific Plan and Topgolf facility project (without attachments)

6. Planning Commission Staff Report, dated June 8, 2017 (without attachments)

7. Planning Commission Staff Report, dated July 13, 2017 (without attachments)

8. Golf Course Design Rendering

9. Amendment No. 3 to the Lease Agreement

10. Final EIR

11. Plans

12. City Council Staff Report, dated August 15, 2017, regarding Amendment No. 3 to the Lease Agreement


FISCAL IMPACT: N/A

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A
STRATEGIC PLAN:

Goal: Champion economic development and fiscal sustainability.
Objective: Encourage a vibrant business climate that is accessible, user-friendly and welcoming to all residents and visitors.

PREPARED BY: Eduardo Schonborn, AICP, Principal Planner
REVIEWED BY: Gregg McClain, Planning Manager
Sam Lee, Planning and Building Safety Director
APPROVED BY: Greg Carpenter, City Manager

EXECUTIVE SUMMARY:

The proposed land use entitlement actions identified above are to facilitate redevelopment of The Lakes golf course, including modifications to the existing golf course, a new club house/proshop, and a new Topgolf driving range facility to replace the existing driving range. The Top Golf facility provides a different type of experience with regard to hitting balls at a driving range. The balls used have a micro-chip embedded in them and the golfers hit the balls at targets and a computer system tracks where the balls land relative to the targets and includes a score keeping element. The facility also has full bar and eating facilities, including food and beverage service for the golfers. There will also be a banquet facility located at the Top Golf establishment.

The associated environmental documents and the project were initially reviewed by the Planning Commission on June 8, 2017 and July 13, 2017. At the July 13th hearing, the Planning Commission adopted resolutions (attached) recommending that the City Council certify the EIR for the project, and that the City Council approve the associated entitlement applications associated with the Topgolf project. As such, the project is now before the City Council for consideration. The determination as to whether to rezone the property for The Top Golf facility is considered a legislative act which means it is entirely within the Council discretion to approve the project or not. Although there is an existing Lease Agreement, the actual Lease will not become effective unless the land use entitlements are approved and the Lease specifically acknowledges that it does not commit the Council to approve the proposed land use entitlements.

INTRODUCTION:

The Applicant, CenterCal, requests certification of an environmental impact report, and approval of a specific plan and related discretionary entitlements to facilitate a redevelopment project at The Lakes golf course. The project involves three areas totaling approximately 31 acres, which includes The Lakes golf course, a portion of the abutting Southern California Edison property to the east, and a portion of the abutting West Basin Municipal Water District property to the south. The project includes replacing the existing driving range and hitting bays, with a three-story Topgolf facility within the southern portion of the project site. The project also includes modifying the fairways and layouts of six holes at the existing 9-hole executive golf course, modifying and expanding the existing parking to accommodate additional parking in support of the facility on the West Basin property to the south. Further, the existing hitting bays, clubhouse facility and patio, as well as the storage building and associated amenities would be demolished and replaced with a new 2,500 square foot Pro Shop building and a 1,010 square foot outdoor patio. Additionally,
other Project improvements include installing new lighting and screening poles, and replacing existing net poles and driving range grass with high density fiber turf.

BACKGROUND:

On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to comment on the Initial Study and Notice of Preparation, a precursor to the forthcoming EIR for the proposed project. On January 26, 2017, the Draft Environmental Impact Report (Draft EIR) was completed and circulated for public review and comment until March 13. Within the circulation period, on February 2nd, a public commenting session was conducted for the purpose of obtaining comments on the Draft EIR for The Lakes Specific Plan and Topgolf Project from the general public.

On May 25, 2017, the Final EIR was completed. On June 8, 2017, the Planning Commission opened the public hearing and took public testimony regarding the proposed Lakes Specific Plan and other proposed land use entitlements for the Topgolf project. At the applicant’s request, however, the Planning Commission agreed to continue the public hearing. On July 13, 2017, after taking additional public testimony and deliberation on the project, the Planning Commission adopted PC Resolution No. 2820 and 2821 (attached) recommending that the City Council certify the EIR for the project, and that the City Council approve The Lakes Specific Plan and the other land use entitlements for the Topgolf project.

PROJECT DESCRIPTION:

Proposed Specific Plan and Land Uses:

A specific plan is a General Plan option that creates carefully tailored regulations for land uses within particular areas of the City to meet specific goals and policies of the General Plan. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in the adopted Specific Plan, even when they may be different from the general regulations within the ESMC. The applicant proposes to create The Lakes Specific Plan and subsequently process the entitlements necessary for the Topgolf project and redevelopment of the golf course facility.

The Lakes Specific Plan makes relatively minor changes to the uses currently existing within the specific plan area (most notably specifically allowing for a privately rather than publicly operated driving range), with development standards addressing the unique recreation and entertainment uses proposed for the area. The Plan consists of an approximately 26.5-acre area that currently comprises The Lakes at El Segundo. The approximately 3.6-acre SCE easement and approximately 0.7-acre WBMWD property are part of the overall Project, however, are not a part of the proposed specific plan area. The Specific Plan includes a land use plan, description of existing and proposed utilities and infrastructure, design guidelines, development standards, and administrative provisions.

A general plan amendment and zone change are proposed for the underlying designations of The Lakes Specific Plan, whereby the underlying General Plan land use designation would change from Parks to The Lakes Specific Plan, while the underlying zoning designation would change from O-S (Open Space), to TLSP (The Lakes Specific Plan). Further, two Subareas, PUB-
REC/OS (Public Recreation/Open Space) and CPR/OS (Commercial Public Recreation/Open Space), are proposed, as illustrated below in Exhibit 2.

**Exhibit 2**

**Land Use Subareas**

The Public-Recreation/Open Space (PUB-REC/OS) subarea encompasses approximately 16.1 acres located on the northern parcel fronting onto Sepulveda Boulevard, which allows for several public recreation uses. The parcel currently contains a nine-hole executive golf course that would remain a permitted use under the Specific Plan. Additionally, the club house/pro shop and the uses therein would be permitted uses. As the site is being re-zoned from Open Space (O-S) to The Lakes Specific Plan, the uses and development in the PUB-REC/OS Subarea would be governed by the Specific Plan development standards.

The Commercial Public Recreation/Open Space (CPR/OS) subarea encompasses approximately 10.5 acres on the southern parcel fronting on both Sepulveda Boulevard, with a small L-shaped portion fronting Hughes Way. The CPR/OS Subarea allows a commercial recreation and entertainment facility, as well as other recreational uses allowed in the CPR/OS subarea.
To acknowledge the new TLSP zoning designation within the City’s Zoning Code, a Zone Text Amendment is also proposed.

Proposed Development Project:

The new specific plan and land use changes specified above will facilitate the construction of a new Topgolf building and surface parking in the CPR/OS subarea, and a redeveloped clubhouse and modified holes in the golf course within the PUB-REC/OS subarea. Further, onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities are proposed, as well as signage for the various uses.

The proposed development includes replacing the existing driving range with a three-story approximately 67,000 square-foot Topgolf commercial recreation and entertainment facility. The new facility would measure approximately 55-feet in overall height, and will include a 32,300 square-foot hitting bay and seating/waiting area, which consists of private suites. From these hitting bays, players would hit balls into an open area that will be surrounded by netting on poles up to 175 feet in height that are designed to contain errant balls. The facility would include: a 10,024 square feet of restaurant, bar, and kitchen space; 3,144 square feet of meeting and event space; 2,439 square feet of office space; 1,895 square feet of lounge space; 1,365 square feet of lobby space; and 15,994 square feet of storage, circulation, and miscellaneous space. The facility will also include approximately 3,000 square feet of outdoor terrace on the third floor that provides entertainment involving live music from a band or disc jockey (DJ). All DJ’s and bands would be required to connect to the facility’s in-house sound system and speakers, allowing the ability to control the volume and other sound levels. All overhead speakers would be oriented inward and down to the facility’s floors. Lastly, the driving range grass would be replaced with a high density fiber turf.

The existing parking lot will also be modified and expanded to accommodate a total of 523 spaces (420 spaces in the CPR/OS Subarea and 103 spaces in the abutting WBMWD property). The parking is designed to serve players and visitors of both the proposed Topgolf facility and the existing golf course facility.

Modifications to the fairways and layouts of three holes at the existing golf course are also proposed. Further, to accommodate nighttime play at the golf course, lighting is proposed throughout the course, which will be primarily concentrated at the tee boxes and greens. The Council will be deciding whether to have CenterCal install the lighting as part of the construction activities at the golf course or delay such to a later time. Lastly, the existing clubhouse will be demolished, and redeveloped with a new one-story clubhouse measuring 2,500 square feet with a 1,010 square foot outdoor patio overlooking a new putting and chip-shot practice area.

DISCUSSION:

During the Planning Commission’s review of the project and the various entitlement applications, the Planning Commission determined that the necessary findings associated with the applications could be made in a positive manner to warrant approval of the project. With regards to the Environmental Impact Report (EIR) the Planning Commission determined that the associated Statement of Facts and Findings could also be made to warrant certifying the EIR. As a result, on July 13, 2017, the Planning Commission adopted PC Resolution Nos. 2820 and 2821 (attached)
recommending that the City Council certify the EIR for the project, and that the City Council approve the associated applications.

The following is a summary discussion of the applications to approve the proposed project. It is a summary of the rationale articulated by Staff and supported by the Planning Commission for support of each application. A more in depth analyses for each application can be found in the attached Planning Commission Staff Reports of June 8 and July 13, 2017.

Specific Plan:

The Lakes Specific Plan is intended to provide flexibility for The Lakes golf course, to expand its existing operations or develop new facilities that would be compatible with the existing facilities and uses. The specific plan includes a development concept that accounts for and allows for the Topgolf facility that is part of the overall project applications. Further, the plan includes new land use and zoning categories and identifies the properties that are affected. It should be noted that the Lease Agreement only allows for Top Golf to operate a driving range, food and beverage services and banquet facilities regardless of the uses that may be allowed by the Specific Plan. Design guidelines are also included to help promote high-quality development, while development standards are included to address uses, lot area, height, setbacks, floor area, parking, landscaping and signage. All development in the project area would be subject to the development standards and requirements of the specific plan and the Lease Agreement. All proposed development plans and entitlements within the specific plan boundaries are consistent with the standards set forth in the specific plan. If an issue, condition or situation occurs that is not provided for or contained in the proposed Specific Plan or the Lease Agreement, then compliance with the standards of the city’s Municipal Code will be required.

General Plan Amendment and Zone Change:

The proposed General Plan Amendment and Zone Change would establish The Lakes Specific Plan (TLSP) as a new land use and zoning district for the 26.5-acre Lakes at El Segundo golf course. The site is currently designated as Parks in the El Segundo General Plan and is consistently zoned Open Space (O-S). The proposal includes a General Plan Amendment to change the Land Use designation to The Lakes Specific Plan and a Zone Change to the underlying zoning designation to TLSP (The Lakes Specific Plan). The TLSP will allow the flexibility for The Lakes to expand and offer new uses, allowing new development that is compatible with the existing golf course facility and operations.

General Plan and Zoning Consistency

The El Segundo General Plan provides the underlying fundamentals of The Lakes Specific Plan, serving as a planning and regulatory document. The Specific Plan is the document implementing the General Plan for the Specific Plan area. With approval of the amendment, the Specific Plan is consistent with the General Plan goals, objectives and policies. Specifically, the project would meet the following General Plan goals, policies and objectives of the Land Use, Economic Development, Circulation, Open Space and Recreation, Conservation, Noise, and Public Safety Elements.

It should be noted that, pursuant to Government Code Section No. 65358, any mandatory element of the General Plan may be modified a maximum of four times per calendar year. Should the
requested General Plan amendment be approved, it would represent this year's first amendment to the City's General Plan.

In accordance with Municipal Code Section 15-26-4B, the proposed zone change is necessary to carry out the proposed project because the proposed General Plan amendment would change the land use classification of the project site from Parks to The Lakes Specific Plan, and the proposed zone change is necessary to maintain consistency with the General Plan land use designation. The proposed zone change is consistent with the General Plan goals, objectives and policies of the Elements identified above.

Zone Text Amendment:

The proposed zone text amendment (ZTA 16-04) will add the new TLSP Zoning designation to the Zoning Code and will be memorialized as a new section in the Municipal Code (Section 15-3-2(A)(11)). The proposed zone text amendment carries out the proposed project by establishing The Lakes Specific Plan (TLSP) zone, and is necessary to ensure consistency with the General Plan and further the goals, objectives and policies.

Lot Line Adjustment:

The proposed lot line adjustment (SUB 16-03) will reconfigure the two existing parcels in The Lakes Specific Plan such that Topgolf’s commercial recreation and entertainment facility will be wholly located within the CPR/OS subarea, and the existing nine-hole golf course and new clubhouse would be wholly located within the PUB-REC/OS subarea of the specific plan. The reconfigured lots will each exceed the minimum lot area requirement of 10-acres, and will facilitate construction of the proposed project.

Site Plan Review:

The site plan review (SPR 16-01) is for the proposed improvements within The Lakes Specific Plan area, which includes a new Topgolf building, a redeveloped clubhouse, modified holes in the golf course, and golf course lighting. According to the plans submitted for the project, the proposed development is consistent with the development standards and design guidelines established by The Lakes Specific Plan document.

With regards to parking, the City's Zoning Code does not contain parking standards for commercial recreational or golf course uses. Thus, a shared parking demand analysis was conducted to determine the minimum number of parking spaces necessary to meet the demands of both the Topgolf facility and the nine-hole golf course. The parking analysis utilized two existing Topgolf facilities in Scottsdale and Gilbert, Arizona. Utilizing the parking counts obtained for these sites, which includes weekend and weekday AM and PM peak demands, and factoring the nine-hole golf course, the parking analysis concluded that a maximum hourly parking demand of 464 parking spaces is forecast to occur. Thus, a minimum of 464 parking spaces are required to accommodate the proposed Topgolf facility and nine-hole golf course. However, the proposed project will meet the forecasted demand by providing for a total of 523 parking spaces.

When an issue, condition or situation occurs which is not provided for or contained in the proposed Specific Plan or the Lease Agreement, then compliance with the standards of the city’s Municipal Code will be required.
Conditional Use Permit (CUP):

In accordance with The Lakes Specific Plan, the project includes a conditional use permit (CUP 16-05) to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities. In considering a CUP application, ESMC 15-23-6 requires certain findings be made in reference to the property and project under consideration.

The Planning Commission and staff believe there is adequate evidence to support the required conditional use permit findings and is recommending approval to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities, subject to the conditions of approval listed in Exhibit A of attached Resolution No. 2821. The City Council may consider and impose additional conditions which it deems necessary, if it demonstrates a reasonable relationship between the condition it desires to impose and the project’s impact.

Environmental Impact Report (EIR):

Pursuant to the requirements of the California Environmental Quality Act (CEQA), and based on Staff’s review of the project and discussion with the applicant, City Staff concluded that the proposed project necessitated the preparation of an EIR.

The EIR concluded that the proposed project will not result in or create any significant impacts, or have less than significant impacts to aesthetics, agricultural resources, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, public services, recreation, transportation/traffic, and utilities and service systems. The EIR also concluded that the proposed project could result in potentially significant impacts to air quality, hazards/hazardous materials, and noise. However, it was also concluded that any potential impacts could be mitigated to a less than significant level through the imposition of certain mitigation measures. These potential impacts and the appropriate mitigation measures related to these environmental factors are contained in the associated EIR and in the Mitigation Monitoring and Reporting Program in the attached Resolution.

The City received 7 comment letters during the circulation of the EIR document. In addition to the written comments, the City held a public meeting to take verbal comments. As part of the Final EIR, the document contains a section titled “Response to Comments”, which contains each of the written comments submitted and a response to each comment, and a section containing the mitigation measures identified in the EIR document to reduce impacts to a less than significant level. Lastly, the Final EIR contains an Errata section to the DEIR, which contains some minor modifications to the text for clarification or edits resulting from the comments received. The text modifications are shown in underline for language added and strikethrough for language deleted. As a result of the comment and circulation periods associated with the Initial Study and the subsequent Draft EIR, and with the edits made to the Final EIR and responses to comments, no new impacts have been identified to warrant recirculation of the document or significant amendments to the analysis contained therein.
ADDITIONAL INFORMATION:

Grant Deed:

As the City Council is aware, the Lakes at El Segundo property was dedicated to the City of El Segundo by a Corporation Grant Deed from Chevron U.S.A. Inc. in 1988, and uses at the property are addressed in the restrictions of the Corporation Grant Deed. Staff met with Chevron and CenterCal representatives to discuss the proposed modifications to the land use table and the grant deed restrictions. Chevron’s concern is that any private recreational use could occupy the site in the future. However, the proposed modifications address this concern since the specific plan would only allow a golf entertainment facility to occupy the site, but any other private recreational facilities would continue to require approval of a conditional use permit from the City, and any new facilities or modifications to the existing project would also be subject to the terms and requirements defined in the Grant Deed as applicable.

Amendment to the Ground Lease Agreement:

At the August 15, 2017, Council Meeting there was an agenda item for Council’s consideration with regard to a proposed 3rd Amendment to the Lease Agreement (staff report attached). The City Attorney’s Office drafted the amendment consistent with the direction given the Council at that meeting and provided it to CenterCal on August 21. Attached is the draft Amendment but it is missing the exhibit with regard to the form of agreement that CenterCal is going to enter into with Chevron regarding the Grant Deed restriction referenced above. Staff is recommending that the Council grant the City Manager authority to execute the amendment with potential minor non-substantive revisions and so long as the City Attorney’s Office approves of the form of the Agreement between Chevron and CenterCal.

There was an issue that was discussed but not resolved at the September 15th Council Meeting. The issue was what to do about Top Golf’s prior commitment to pay a salary to two of the golf professionals currently working at the Lakes during the construction period. Meredith Petit, Director of Recreation and Parks, along with golf professional Josh Alpert and a representative of Top Golf discussed the following proposed amendment to address this issue – “Topgolf will contribute $2,000/month to the City of El Segundo during the golf course construction period (estimated 6-8 months) to employ or contract with individual(s) and/or service providers to promote future programs at Topgolf El Segundo and The Lakes at El Segundo Golf Course.” If this term is acceptable to the Council then the City Attorney’s Office will add it to the amendment.

It is very important that the amendment be executed before the potential second reading of the Ordinance for the project occurs. The Lease Agreement expires at the end of this month so it needs to be in effect and the City needs the assurance that the issues addressed in the amendment are in place before the project is approved. If the amendment is not signed before the potential October 3rd meeting, the agenda item will need to be delayed.

West Basin Property License Agreement:

As indicated above, the project includes up to 103 parking spaces on the abutting West Basin Municipal Water District (WBMWD) property. The City and the WBMWD have negotiated the terms of a license agreement allowing the City to construct and maintain a parking lot on the WBMWD property adjacent to the project site. The parking lot would serve patrons of both the
golf course and Topgolf facility. The City expects the WBMWD Board to approve the form of the License Agreement at its September meeting. If the Council introduces the necessary Ordinance, staff will present the License Agreement to the Council for potential approval, concurrent with the second reading, at the October 3rd City Council meeting.

Golf Course Design:

On June 16, 2015, the City Council created the Golf Course Design Task Force, appointing nine individuals to work with staff and Centeral to develop the new golf course design. The task force assisted with the selection of a world-renowned golf course architectural firm, Fry/Straka Global Golf Course Design. The task force worked closely with the firm, meeting approximately 12 times to design the best possible golf course within the given parameters of space, safety, and playability.

On May 17, 2016, the City Council approved the conceptual 9-hole golf course design that was recommended by the Golf Course Design Task Force. The design was presented as the most feasible option to retain safety and quality, enhance practice areas, and accomplish the community’s and City’s highest priorities of maintaining a facility that encompasses parks and recreation core values. The design also offered a golf-focused experience conducive to learning and instruction, and provides access to a diversified population. On August 15, 2017, the Council approved further revisions to the proposed design.

The final design (attached) includes modifying the original par-4 Hole #9 to a lengthy par-3, reconfigures Holes #1, #2, and #3, and modified the tee boxes at Holes #5 and #8. The design also expands the short game and putting green practice areas to over 30,000 square feet. The total yardage of this design is 1,204 yards. The final design is subject to the Council’s approval. If the design is approved as part of the Council’s action, the Golf Course Design Task Force can be disbanded as their task will be completed.

Construction Time Line:

According to the applicant, construction of the project is anticipated to commence shortly after November 2nd, the effective date if the City Council approves the project. Construction of the golf course and proshop is expected to be completed within eight months, with the goal of reopening by summer 2018 to avoid impacts to summer programs. Construction of the Topgolf facility is expected to be completed within one year, with a goal of opening the facility by the end of 2018. Construction of the parking lot will be done in phases such that part of the parking lot is complete and ready for use when the golf course and club house/proshop open, with the full parking lot completed with the construction of the Topgolf facility. Since the golf course and club house/proshop will be completed first, appropriate signage and construction personnel will be on-site during construction to minimize conflicts between construction vehicles and visitors of the golf course.

Financial Analysis:

Pro Forma Advisors, LLC, was retained to prepare a financial analysis and comparison study of the Lakes golf course and the proposed Topgolf project. The study assessed the benefits and costs to the City of El Segundo of the proposed project, taking into account current economic conditions and historic trends, as well as historic performance of the Lakes Golf Course. The study, with a full assessment including Pro Forma’s finding and conclusions, is attached.
Resolution No. ____,
certifying the Final EIR with:
Exhibit A titled “Environmental Findings of Fact”,
and
Exhibit B titled “Mitigation Monitoring and Reporting
Program”
RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL CERTIFYING THE ENVIRONMENTAL IMPACT REPORT, MAKING CERTAIN ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT (ENVIRONMENTAL ASSESSMENT NO. EA-1135, SPECIFIC PLAN NO. SP 16-02, GENERAL PLAN AMENDMENT NO. GPA 16-01, ZONE CHANGE NO. ZC 16-01, ZONE TEXT AMENDMENT NO. ZTA 16-04, SITE PLAN NO. 16-01, LOT LINE ADJUSTMENT NO. SUB 16-03, AND CONDITIONAL USE PERMIT NO. CUP 16-05) LOCATED AT 400 SOUTH SEPULVEDA BOULEVARD.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares that:

A. On June 20, 2016, CenterCal Properties, LLC, filed an application for Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05 for approval of a specific plan and related discretionary entitlements to facilitate a development project at the Lakes golf course consisting of replacing an existing driving range and hitting bays with a three-story golf-themed commercial recreation and entertainment facility, including hitting bays, a restaurant/bar, and other supporting accessory uses to be operated under the "Topgolf" brand. Additional project improvements include demolition of the existing clubhouse and reconstruction of a smaller clubhouse, modification of the fairways and layouts of six holes at the existing 9-hole executive golf course, new golf course lighting, and modification and expansion of the existing parking to accommodate additional parking to serve the facility;

B. After submittal of additional information, Staff deemed the project applications complete on August 31, 2016;

C. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000 et. seq. ("CEQA"), the State's CEQA Guidelines, California Code of Regulation, Title 14, Section 15000 et. seq., the City's Local CEQA Guidelines (City Council Resolution No. 2805, adopted March 16, 1993), and Government Code Section 65962.5(f) (Hazardous Waste and Substances Statement), the City of El Segundo prepared an Environmental Impact Report (State Clearinghouse Number 2016091003) (the "EIR");
D. The City prepared an Initial Environmental Study (the “Initial Study”) for the Project pursuant to Section 15063 of the CEQA Guidelines, and on September 1, 2016, the Initial Study (IS) and Notice of Preparation (NOP) were released to the public and public agencies for a comment period of 33 days (through October 3, 2016). On September 1, 2016, a Public Notice was mailed to property owners within a 300-foot radius from the subject property, the Notice was published in the El Segundo Herald, and the Notice was posted on the City’s website. Lastly, a copy of the Initial Study was made available at the public counter at City Hall and the local library, and was made available on the City’s website for the public to download and review;

E. On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to provide verbal comments on the IS/NOP;

F. After the NOP comment period ended, the Draft EIR was prepared taking the comments into account. After completing the Draft EIR, the document was made available to the public on January 26, 2017 for a 47-day public comment period that concluded on March 13, 2017;

G. On February 2, 2017, City Staff hosted a noticed public commenting session to provide the public with an opportunity to submit verbal comments, in addition to the typical written comments, on the Draft EIR. Advertisement of the public commenting session was provided by a Notice published in the El Segundo Herald, a Notice mailed to all property owners within a 300-foot radius, a Notice posted at The Lakes clubhouse facility, and a Notice was posted on the City’s website;

H. On May 25, 2017, the Final EIR was completed and Notice was provided via mail to all property owners within a 300-foot radius of the subject site, and on May 25, 2017 a Notice was published in the El Segundo Herald announcing that a public hearing was scheduled with the Planning Commission on June 8, 2017 to review the Final EIR and the entitlement applications for the proposed project;

I. On June 8, 2017, the Planning Commission conducted a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City staff and public testimony, and the applicant;

J. On June 8, 2017, at the request of the Applicant, the Planning Commission continued the public hearing to June 22, 2017;
K. On June 22, 2017, the Planning Commission continued the public hearing to July 13, 2017;

L. On July 13, 2017, the Planning Commission of the City of El Segundo adopted Resolution No. 2820, recommending that the City Council certify the EIR, make certain environmental findings of fact, and adopt a Mitigation Monitoring and Reporting Program for The Lakes Specific Plan and Topgolf Project;

M. The City Council of the City of El Segundo held a duly noticed public hearing on September 5, 2017, to review and consider the staff report prepared for the project, receive public testimony, and review all correspondence received on the project; and,

N. This Resolution, and its findings, are made, in part, based upon the evidence presented to the Planning Commission at its June 8, and July 13, 2017 public hearings and upon the evidence presented to the City Council at its September 5, 2017 public hearing including, without limitation, the staff reports, Initial Study, Draft EIR and Final EIR submitted by the Planning and Building Safety Department.

SECTION 2: Environmental Assessment. The City Council makes the following environmental findings:

A. Pursuant to CEQA Guidelines Sections 15064 and 15081, and based upon information contained in the Initial Study, the City ordered the preparation of an Environmental Impact Report ("EIR") for the Project. The City contracted with independent consultants for the preparation of the technical studies for the EIR and on September 1, 2016, prepared and sent a Notice of Preparation of the EIR to responsible, trustee, and other interested agencies and persons in accordance with Guidelines Section 15082(a). Comments on the Notice of Preparation were accepted during the 33-day comment period ending on October 3, 2016. During the scoping period, the City held an advertised public meeting on September 8, 2016, to facilitate public input regarding the scope of the EIR.

B. The City completed the Draft EIR, together with those certain technical studies (the "Appendices"), on January 26, 2017. The City circulated the Draft EIR and the Appendices to the public and other interested parties from January 26, 2017 through March 13, 2017, for a 47-day comment period. In addition to receiving written comments submitted during this time, public comments were received at an advertised public commenting session on February 2, 2017. Advertisement of the public commenting session was provided by a Notice published in the El Segundo Herald, a Notice mailed to all property owners within a 300-foot radius, a Notice posted at The Lakes clubhouse facility, and a Notice posted on the City's website.
C. During the Draft EIR public comment period, including at the February 2, 2017 public commenting session, the City received numerous letters and comments. Responses to each of the individual comments were prepared and made available on May 25, 2017. The comments and responses are part of section 11.3 of the Final EIR, and are incorporated herein by reference. The written responses to comments were made available for public review in the Planning and Building Safety Department, at the El Segundo Public Library and on the City's website. After reviewing the responses to comments, the revisions to the Draft EIR, and the Final EIR, the City Council finds that the information and issues raised by the comments and the responses thereto do not constitute significant new information requiring recirculation of the EIR.

D. The Final EIR is comprised of the Draft EIR, an errata thereto, comments and recommendations received on the Draft EIR, a list of persons, organizations and public agencies commenting on the Draft EIR, the City's Responses to Comments, and the Mitigation Monitoring and Reporting Program.

E. The City Council has independently reviewed and considered the content of the Final EIR, all written and oral public communications, and all other evidence in the administrative record. The City Council hereby finds that the Final EIR has been completed in compliance with CEQA and reflects the independent judgment of the City. Although minor revisions have been made to the Draft EIR in response to comments received during the public process, no significant new information has been added to the EIR since public notice was given of the availability of the Draft EIR for public review. Consequently, recirculation of the EIR is not required pursuant to Section 15088.5 of the CEQA Guidelines.

F. The comments regarding the Draft EIR and the responses to those comments were received by the City Council; that the City Council received documents and public testimony regarding the adequacy of the EIR; and the City Council has reviewed and considered all such documents, testimony and the Final EIR prior to making its decision. In accordance with CEQA Guidelines Section 15090, the City Council hereby finds that the Final EIR has been completed in compliance with CEQA and reflects the independent judgment and analysis of the City.

G. Based upon the Final EIR and the record before the City Council, the Council finds the Project will not cause any significant environmental impacts after mitigation. Detailed explanations for why the impacts were found to be less than significant are contained in the Environmental Findings of Fact attached as Exhibit A to this Resolution and incorporated herein by this reference.
H. The EIR describes, and the City Council fully considered, a reasonable range of alternatives to the Project. On the whole, the proposed Project is environmentally superior to other feasible alternatives. Thus, all other alternatives and variations are infeasible or not environmentally preferable for the reasons set forth in the Environmental Findings of Fact attached as Exhibit A to this Resolution and incorporated herein.

I. On the basis of the FEIR and the record of proceedings in this matter, the Council finds that the proposed Project would not result in temporary or permanent significant and unavoidable effects for any of the environmental issue areas identified in Appendix G of the State CEQA Guidelines. Therefore, no Statement of Overriding Considerations is necessary.

SECTION 3: Based on the foregoing findings and on substantial evidence in the administrative record as a whole, the City Council adopts the Environmental Findings of Fact attached hereto as Exhibit A and incorporated herein by this reference, certifies the Final Environmental Impact Report, and adopts the Mitigation Monitoring and Reporting Program attached hereto as Exhibit B and incorporated herein, for The Lakes Specific Plan and Topgolf Project.

SECTION 4: Reliance on Record. Each and every one of the findings and determinations in this Resolution is based on the competent and substantial evidence, both oral and written, contained in the entire administrative record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 5: Limitations. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 6: Summaries of Information. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 7: This Resolution will remain effective until superseded by a subsequent resolution.
SECTION 8: A copy of this Resolution must be mailed to CenterCal Properties, LLC, and to any other person requesting a copy.

SECTION 9: This Resolution is the City Council’s final decision and will become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this ___ day of ____________, 2017.

__________________________
Suzanne Fuentes, Mayor

ATTEST:

STATE OF CALIFORNIA       )
COUNTY OF LOS ANGELES     ) SS
CITY OF EL SEGUNDO        )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ___ was duly introduced by said City Council at a regular meeting held on the ___ day of ____________, 2017, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of ____________, 2017, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

__________________________
Mark D. Hensley, City Attorney

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CITY COUNCIL RESOLUTION NO. ____
Exhibit A

ENVIRONMENTAL FINDINGS OF FACT

After receiving, reviewing, and considering all the information in the administrative record for Environmental Assessment (EA) No. 1135, including, without limitation, the factual information and conclusions set forth in this Resolution and its attachment, the City Council finds, determines, and declares as follows:

I. FINDINGS REQUIRED BY CEQA.

Pursuant to Section 15090 of the CEQA Guidelines, the City Council finds that:

1. The Final Environmental Impact Report (FEIR) has been completed in compliance with CEQA;

2. The FEIR was presented to the City Council and the Council reviewed and considered the information contained in the FEIR before approving the Project; and

3. The FEIR reflects the City Council’s independent judgment and analysis.

II. FINDINGS REGARDING THE PROJECT’S POTENTIAL ENVIRONMENTAL EFFECTS.

A. Environmental Effects with No Impacts.

The Initial Study for The Lakes Specific Plan and Topgolf Project, dated September 2016, concluded that the Project had no potential to result in significant impacts in several areas. Having reviewed and considered the entire administrative record of proceedings, the City Council finds that substantial evidence in the record supports the conclusion that the Project has no potential to result in significant environmental impacts in the following areas:

1. Aesthetics (Scenic Vistas; Scenic Resources).

2. Agriculture and Forest Resources.

3. Biological Resources (Riparian Habitat; Federally Protected Wetlands; Movement of Species; Conflict with Local Policies or Ordinances Protecting Biological Resources; and Conflict with an adopted Habitat Conservation Plan or Other Plan).

4. Geology and Soils (Rupture of Earthquake Fault; Landslides; and Septic Tanks).

5. Hazards and Hazardous Materials (Safety Hazard from a Private Airstrip; and Exposure of People or Structures to Wildland Fires).

6. Hydrology and Water Quality (Place Housing or Structures Within a 100-Year Flood Hazard; Expose People or Structures to a Significant Risk Involving Flooding).
7. Land Use and Planning (Physically Divide an Established Community; Conflict With a Habitat Conservation Plan or Natural Community Conservation Plan).


10. Population and Housing (Displace Substantial Numbers of People or Existing Housing).

B. Impacts Identified as Less Than Significant.

The Initial Study concluded that the Project's potential for environmental effects in several areas would be less than significant. Having reviewed and considered the entire administrative record of proceedings, the City Council finds that substantial evidence in the record supports the conclusion that the Project will have less than significant environmental impacts in the following areas:

1. Aesthetics (Visual Character/Quality; Light and Glare).

2. Air Quality (Objectionable Odors).

3. Biological Resources (Candidate, Sensitive or Special Status Species).

4. Cultural Resources (Historical, Archaeological and Paleontological Resources; Disturbance of Human Remains).

5. Geology and Soils (Strong Seismic Ground Shaking; Seismic-Related Ground Failure; Substantial Soil Erosion; Unstable Geologic Unit; Expansive Soils).

6. Hazards and Hazardous Materials (Safety Hazard within an Airport Land Use Plan or Within Two Miles of a Public or Public Use Airport).

7. Hydrology and Water Quality (Inundation by Seiche, Tsunami, or Mudflow).

8. Noise (Excessive Noise Levels for a Project Located Within an Airport Land Use Plan, or Within Two Miles of a Public or Public Use Airport).

9. Public Services (Library Facilities)

10. Transportation/Traffic (Change in Air Traffic Patterns; Increased Hazards Due to Design Feature or Incompatible Use).

C. Impacts Identified as Potentially Significant in the Initial Study But Which Did Not Exceed Significance Thresholds in the DEIR.

The following environmental effects were identified as Potentially Significant in the Initial Study. However, after further analysis, it was determined that the effects would not be significant, since they would not exceed thresholds of significance and no mitigation is required. Consequently, the City Council finds, based on the evidence in the record as a whole, that the Project will have less than significant environmental impacts in the following areas:
1. **Air Quality**

   a) **Facts/Effects:**

   (1) **Air Quality Standards – Long-Term.** Project operations will not violate an air quality standard or contribute substantially to an existing or projected air quality violation. The Project’s total unmitigated operational (mobile, area, and energy source) emissions will not exceed SCAQMD thresholds. Further, the Project will be required to comply with El Segundo Municipal Code (ESMC) Chapter 15-16 and the proposed Lakes Specific Plan sets forth goals and objectives for sustainability practices that will further reduce area and mobile source emissions, such as using sustainable building materials, water conservation, energy efficient lighting, reclaimed landscape water, and bicycle parking. Consequently, the Project’s long-term impacts on air quality will be less than significant.

   (2) **Localized Emissions.** The Project will not result in significant localized emissions impacts or expose sensitive receptors to substantial pollutant concentrations. The Project’s unmitigated on-site construction emissions will not exceed the localized significance thresholds (LSTs); therefore, the Project’s construction-related localized significance impacts will be less than significant. Additionally, the Project’s unmitigated operational area source emissions will be negligible and will not exceed the LSTs for Sensitive Receptor Area (SRA) 3. Therefore, the Project’s operational localized significance impacts for Project operations will be less than significant.

   (3) **Cumulative Impacts.** The proposed Project, combined with other related cumulative projects, will not result in significant air pollutant emission impacts. The proposed Project will not result in long-term air quality impacts, as emissions will not exceed applicable operational thresholds. Development associated with the proposed Project will be consistent with what is anticipated in the General Plan. Additionally, adherence to SCAQMD rules and regulations will alleviate potential impacts related to cumulative conditions on a project-by-project basis. Emission reduction technology, strategies, and plans are constantly being developed. As a result, the proposed Project will not contribute a cumulatively considerable net increase of any nonattainment criteria pollutant. Therefore, cumulative operational impacts associated with Project implementation will be less than significant.

b) **Finding:**

Based on the whole of the administrative record, the City Council finds that the Project will not result in significant impacts, either individually or cumulatively, on long-term air quality standards or on localized emissions. Consequently, no mitigation is required.
2. Greenhouse Gas Emissions

a) Facts/Effects:

(1) **Greenhouse Gas Emissions.** Greenhouse gas emissions resulting from the Project will not have a significant impact on global climate change. The total amount of Project-related "business as usual" GHG emissions from direct and indirect sources combined will total 1,683.19 MTCO2eq/year, which is below the 3,000 MTCO2eq/year threshold. Therefore, the proposed Project will result in a less than significant impact with regards to GHG emissions.

(2) **Compliance with Applicable Plan/Policy/Regulation.** The proposed Project will be consistent with the City of El Segundo's EECAP, which is the applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs. In addition, the Project will incorporate design features that will reduce GHG emissions. The Project will not conflict with or impede implementation of reduction goals identified in AB 32 and other strategies to help reduce GHG emissions. Therefore, the Project will not conflict with an applicable GHG reduction plan, policy, or regulation. Impacts will be less than significant in this regard.

(3) **Cumulative Impacts.** The additive effect of the Project's GHG emissions will not result in a reasonably foreseeable cumulatively considerable contribution to global climate change. In addition, the Project, as well as other cumulative related projects, will be subject to all applicable regulatory requirements, which will further reduce GHG emissions. As stated in the FEIR, the Project will not result in a significant impact regarding GHG emissions, as the Project will result in 1,683.19 MTCO2eq/year under buildout "business as usual" conditions. Therefore, Project related GHG impacts were determined to be less than significant as they were below the 3,000 MTCO2eq threshold. Therefore, the Project's cumulative GHG emissions will be considered less than significant.

b) Finding:

Based on the whole of the administrative record, the City Council finds that the Project will not result in significant impacts, either individually or cumulatively, with respect to greenhouse gas emissions thresholds or consistency with applicable greenhouse gas plans, policies or regulations. Consequently, no mitigation is required.

3. Hazards and Hazardous Materials

a) Facts/Effects:

(1) **Operations.** Project operations will not create a significant hazard to the public or environment through the handling, storage, and/or use of hazardous materials, as well as accident conditions involving the release of hazardous materials. Due to the nature of the proposed land uses, the Project is not anticipated to involve facilities or activities that would produce or use substantial quantities of hazardous materials or require the routine
transport of hazardous materials to and from the site that may adversely affect the public or the environment. Long-term operation of the proposed facilities will be subject to applicable federal, State, and local regulations intended to manage the transport, use, storage, manufacture, and disposal of hazardous materials to ensure that these materials do not adversely impact the public or the environment. Project conformance with such standard regulations will ensure impacts remain less than significant.

(2) **Emit or Handle Hazardous Materials Near a School.** The closest school to the Project site is Wondertree Kids, located 0.25-mile southeast from the Project site. However, Project operations will not involve the use of hazardous materials or substances, and thus will not emit hazardous emissions. Additionally, buffers in the form of roadways and intervening structures will separate the proposed commercial uses from the existing school. Compliance with measures established by Federal, State and local regulatory agencies is considered adequate to offset any potential impacts related to the use, handling, or storage of hazardous.

(3) **Hazardous Materials Regulatory Site.** A Phase I Environmental Site Assessment was conducted to identify, to the extent feasible, recognized environmental conditions ("RECs") at the Property. As part of the Phase I ESA, a regulatory agency database (federal, state, and tribal environmental records) search report was obtained from Environmental Data Resources Inc. (EDR), a third-party environmental database search firm. The Property (Project site) was not identified in the environmental database report.

(4) **Emergency Response or Evaluation Plan.** The Specific Plan area will continue to be accessed via two existing driveways along Sepulveda Boulevard and Hughes Way. No modifications to the existing driveways, and no new curb cuts are proposed as part of the project. Therefore, the Project site will remain accessible to emergency vehicles during both Project construction and operations. The Project has been review by the El Segundo Fire Department (ESFD) and teh ESFD has verified that adequate emergency vehicle access is provided. Additionally, evacuation plans and procedures are incorporated into building and site design per ESFD regulations. Therefore, given the nature and scope of the proposed improvements, Project implementation will not impair implementation of or physically interfere with the City's Emergency Operations Plan, evacuation plan, or site access by emergency personnel, and for that reason, impacts will be less than significant impact.

(5) **Cumulative Impacts.** As concluded in the FEIR, the Project's potential impacts through accident conditions involving the release of hazardous materials will be reduced to less than significant levels with implementation of the recommended mitigation and compliance with applicable regulatory requirements. Therefore, the Project's incremental effects involving potential RECs and ACMs/LBP's in structures are not cumulatively considerable. Potential hazardous conditions adjacent to the Project site will be addressed in accordance with the respective applicable regulations, laws, programs, and policies. As a result, the Project will not be expected to contribute to new cumulative adverse impacts as a result of Project
implementation. With implementation of the specified mitigation measure, the Project will not result in cumulatively considerable impacts concerning hazards and hazardous materials.

b) **Finding:**

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts with respect to the handling, storage, and/or use of hazardous materials during project operations and will not result in cumulatively considerable impacts with respect to hazards and hazardous materials. Consequently, no mitigation is required.

4. **Hydrology and Water Quality**

a) **Facts/Effects:**

(1) **Water Quality – Short-Term.** The Project applicant will be required to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) pursuant to the California Construction General Permit (CGP). The SWPPP establishes procedures, including Best Management Practices (BMPs), to control common pollutants such as suspended soil in storm water runoff from leaving the Project area and negatively affecting downstream water bodies. The SWPPP will include an Erosion Control Plan and will identify appropriate BMPs to reduce potential degradation of storm water quality. Further, the Project will also be subject to ESMC Chapter 5-4-9 and will be subject to inspection by the City’s Department of Public Works. With implementation of the NPDES and ESMC requirements, the Project’s construction activities will have a less than significant impact on surface water quality and will not significantly impact the beneficial uses of receiving waters. Consequently, short-term water quality impacts will be less than significant.

(2) **Long-Term Operations.** As indicated in the FEIR, the Project will be required to install an underground storage system, which will reduce the unmitigated 25-year flow rate of 18.19 cubic feet per second (cfs) to 6.0 cfs, reducing the discharge to below the existing condition of 7.80 cfs. To ensure that discharge rates with Project implementation remain below that of existing conditions, prior to issuance of a grading permit, the project applicant will be required to provide detailed calculations and design drawings demonstrating the detention/infiltration system adequately mitigates the 25-year storm event.

The percentage of impervious area for the Project site will increase from 11.7 percent to 37.0 percent. Although the Project would increase the 25-year peak flow for the Project site beyond existing conditions, an underground infiltration/detention system will be constructed to detain the storm water so that the peak flow rate from the completed Project will not exceed the existing condition peak flow rate, consistent with reduced flow discharge and SUSMP storage requirements. With implementation of the underground storage system the 25-year flow rate of 22.90 cfs will be reduced to 10.50 cfs, which will reduce the discharge to below the 10.72 cfs required. Thus, the peak flow rate from the completed Project site will
not exceed the existing condition peak flow rate and impacts would be less than significant in this regard.

The Project will be required to implement post-construction controls in order to mitigate storm water pollution. Specifically, the MS4 Permit requires each permittee to implement a Planning and Land Development Program for all Redevelopment projects before issuance of a grading permit. The Project will be required to control pollutants, pollutant loads, and runoff volume from the site by minimizing the impervious surface area and controlling runoff from impervious surfaces through infiltration, bio-retention, and/or rainfall harvest and use.

The proposed detention/infiltration system will be designed to allow the lower portion of the detention/infiltration system to provide the required storm water quality design volume (SWQDV) and the upper portion for detention to control the peak outflow. The SWQDV will infiltrate into the ground and the detention volume will ultimately discharge through the existing 48-inch reinforced concrete pipe (RCP) to the regional retention basin and infiltrate into the ground within the retention basin. The re-contoured areas in the golf course will be covered with vegetation. The vegetation will function as vegetated buffers to slow down runoff velocity, allow sediment and pollutants to settle, and provide infiltration into the underlying soils.

Prior to issuance of a grading permit, a SUSMP, or functional equivalent, must be prepared, including BMPs, in accordance with the latest El Segundo SUSMP, or functional equivalent template. The proposed detention/infiltration system will be included in the Construction Drawings to mitigate impacts of changes in imperviousness, as identified in the Final Hydrology Study and LID. The LID identifies source control, site design, and treatment BMPs that will also be required as part of the Project.

As part of the City's discretionary review process, the Project Applicant will also be required to prepare a Construction Level Hydrology and Hydraulics Study for review and approval by the Director of Public Works and Building Official, prior to issuance of a grading permit. The study will ensure that all drainage improvements and measures implemented for storm water quality control purposes meet local and county design requirements and standard engineering practices for the region, including those identified in the Los Angeles County Manual. Compliance with the NPDES and ESMC requirements will further ensure that potential impacts to long-term water quality will be less than significant.

(3) **Groundwater.** With development of the site as proposed, the site's pervious area is expected to decrease from 24.02 acres to 17.15 acres with Project implementation, or by approximately 6.87 acres. Although the Project site is not located within a groundwater recharge area, existing pervious areas provide approximately 70,632 cubic feet (cf) of maximum available storm water for groundwater recharge. Development as proposed would reduce the maximum availability of storm water for groundwater recharge to approximately 50,422 cf, a reduction of 20,209 cf. As discussed in the FEIR, the proposed underground infiltration
system will provide a volume of 27,242 cf for the groundwater supply. For proposed impervious areas, storm water will be conveyed to a proposed underground detention/infiltration system. The proposed onsite detention/infiltration system will be designed to allow the lower portion of the detention/infiltration system to provide the required SWQDV, and the upper portion (for detention) to control the peak outflow. The proposed underground infiltration system will provide a volume of 27,242 cf for the groundwater supply. The SWQDV will infiltrate into the ground and the detention volume will ultimately discharge through the existing 48-inch RCP to the regional retention basin, ultimately infiltrating the ground surface within the retention basin. Thus, the Project will not substantially interfere with groundwater recharge and impacts would be less than significant.

Although, the City of El Segundo maintains rights to 953 acre-feet of water per year from West Basin, the City does not use groundwater as a potable water source. Instead, the City leases its yearly water rights to the City of Manhattan Beach. According to the 2015 UWMP, the City does not anticipate using groundwater to meet future water demands due to water quality issues associated with seawater intrusion, and would only rely on purchased or imported water or recycled water to meet future demands. Therefore, the Project will not deplete groundwater supplies or substantially interfere with groundwater recharge such that there will be a net deficit in aquifer volume or a lowering of the local groundwater table level. Impacts will be less than significant in this regard.

(4) Cumulative Impacts. Cumulative projects would have the potential to affect water quality at their respective sites during the construction phase and long-term operations. As concluded in the FEIR, Project development would result in increased potential for short- and long-term operational water quality impacts in the area. Therefore, the Project's incremental effects to water quality are cumulatively considerable. However, the Project together with all other past, present and probable future development projects (cumulative projects) are required to comply with the NPDES requirements and to implement a SWPPP with specific BMPs during construction activities. Additionally, the Project and cumulative projects must adhere to NPDES requirements and implement a SUSMP with specific BMPs for post-construction conditions. Each project would also be required to comply with existing water quality standards at the time of development review and include BMPs, as necessary. Therefore, with implementation of the NPDES and ESMC requirements, the combined cumulative short- and long-term impacts on surface water quality associated with the Project's incremental effects and those of the cumulative projects will be less than significant.

Implementation of the cumulative projects would result in changes to drainage patterns and amounts of impervious surfaces on each respective development site. Higher flows resulting from cumulative development projects would contribute storm water flows to the local and regional drainage facilities, which would result in drainage and runoff impacts. Additionally, runoff from some of the cumulative projects could drain into the conveyance systems used by the Project. As concluded in the FEIR,
Project implementation will result in changes in impervious surfaces, however, proposed drainage improvements will ensure that proposed condition flows are equal to or less than existing runoff conditions. Therefore, the Project's incremental effects to drainage are not cumulatively considerable. Future development will be required to account for higher flows within the drainage area on a project-by-project basis. Each cumulative project would be required to submit individual analyses to their respective jurisdictions for review and approval prior to issuance of grading or building permits. Each analysis must indicate how peak flows generated from each related project will be accommodated by the existing and/or proposed storm drainage facilities. Therefore, the combined cumulative drainage and runoff impacts associated with the Project's incremental effects and those of the cumulative projects would be less than significant.

As concluded in the FEIR, the Project will not deplete groundwater supplies, since the City does not use groundwater as a potable water source. Although the Project will reduce pervious area, the proposed detention/infiltration system would provide for groundwater recharge from Project site storm water. Therefore, Project implementation will not substantially interfere with groundwater recharge. The Project's incremental effects to groundwater supplies and recharge are not cumulatively considerable. Moreover, cumulative projects will not interfere with groundwater recharge, since they are not located within a groundwater recharge area. Although development of the cumulative projects could result in an overall increase in impervious surfaces, many of the projects involve redevelopment and not new development on vacant lands, particularly due to the urbanized nature of the City and its surroundings. Cumulative projects will not deplete groundwater supplies, as the City does not use groundwater as a potable water source. Therefore, cumulative impacts to groundwater supplies would be less than significant.

b) Finding:

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts with respect to short-term (construction) water quality, long-term operational, groundwater, and cumulative hydrology and water quality impacts. Consequently, no mitigation is required.

5. Land Use and Planning

a) Facts/Effects:

(1) SCAG's 2016 RTP/SCS Goals and Adopted Growth Forecasts. The Project will be consistent with SCAG's 2016 RTP/SCS Goals and growth forecasts, resulting in a less than significant impact in this regard.

(2) El Segundo General Plan. Pursuant to California Law, The Lakes Specific Plan must be consistent with the El Segundo General Plan. To ensure consistency between the proposed Specific Plan and the General Plan, the General Plan Land Use Element is being amended concurrently with the
adoption of the The Lakes Specific Plan. More specifically, the General Plan and General Plan Map are being amended via GPA 16-01 to change the land use designation for the 26.54-acre Specific Plan area from "Parks" to "The Lakes Specific Plan." The Specific Plan will also establish a link between the General Plan implementing policies (i.e., strategies) and the development proposed.

As demonstrated in the FEIR, the Project is compatible with, and will not frustrate, the goals and policies of the General Plan. Therefore, the Project is consistent with the General Plan and will result in a less than significant impact regarding potential conflict with the General Plan. All future development plans or agreements, and any other development approvals will be subject to compliance with The Lakes Specific Plan. Compliance with The Lakes Specific Plan will be verified through the City’s established development review process. Because all future development within the Specific Plan area must comply with the Specific Plan, which complies with the General Plan, the development will necessarily comply with the General Plan.

(3) El Segundo Municipal Code. To ensure consistency between the Specific Plan and the ESMC, the Project includes a Zone Change (No. ZC 16-01) and Zoning Map Change to rezone the 26.54-acre proposed Specific Plan area as follows: 16.06 acres from "O-S Zone" to "The Lakes Specific Plan" (Public Recreation/Open Space [PR/OS]); and 10.49 acres from "O-S Zone" to "The Lakes Specific Plan" (Commercial Recreation/Open Space [CR/OS]).

The City’s Zoning Map and zoning text are being concurrently with the adoption of the The Lakes Specific Plan. The Zone Change will establish the Specific Plan area pursuant to the Specific Plan’s proposed Land Use Plan. The Zone Text Amendment will amend ESMC §15-3-2, Specific Plan Zones, to add The Lakes Specific Plan and will establish the Specific Plan’s purpose, development standards, design guidelines, and administrative provisions.

All development within the Specific Plan area will be subject to compliance with the Specific Plan in order regulate and restrict the uses of lands and buildings; square footage, height and bulk of buildings; and, yards and other open spaces. Compliance with the Specific Plan will be verified through the City’s established development review process. Because all future actions and improvements must comply with The Lakes Specific Plan, once approved, they will comply with the ESMC.

The Project includes features that encourage and accommodate the use of transit, pedestrian, and bicycle commuting as alternatives to single occupant motor vehicle trips. The Project has been reviewed by the City for compliance with ESMC Chapter 15-16, and compliance will be verified before the City issues a Grading Permit. The Project has provided applicable TDM and trip reduction measures. Therefore, the Project will be in compliance with ESMC Chapter 15-16 requirements and a less than significant impact will result in this regard.
(4) **Cumulative Impacts.** As proposed, the cumulative projects considered would be evaluated on a project-by-project basis, as they are implemented within the City of El Segundo and the other cities/communities. Each cumulative project would undergo a similar plan review process as the proposed Project to determine potential land use planning policy and regulation conflicts. Each cumulative project would be analyzed independently and within the context of their respective land use and regulatory settings. As part of the review process, each project would be required to demonstrate compliance with the provisions of the applicable land use designation(s) and zoning district(s). It is assumed that cumulative development would progress in accordance with the General Plan and municipal code of the respective jurisdictions. Each cumulative project would be analyzed to ensure that the goals, objectives, and policies of the respective general plans, and regulations and guidelines of the respective municipal codes are consistently upheld. Moreover, as concluded in the FEIR, the Project is consistent with the 2016 RTP/SCS goals and growth forecasts, and the El Segundo General Plan and ESMC, and therefore, would not contribute cumulatively to a conflict with applicable land use plans, policies, or regulations when considered with other cumulative projects. For these reasons, the combined cumulative land use/planning impacts associated with the Project’s incremental effects and those of the cumulative projects will be less than significant.

b) **Finding:**

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts, either individually or cumulatively, with respect to land use and planning. Consequently, no mitigation is required.

6. **Noise**

a) **Facts/Effects:**

(1) **Vibration.** Vibration velocities from typical heavy construction equipment operations that will be used during Project construction range from 0.003 to 0.644 inch-per-second PPV at 25 feet from the activity source. The structures located nearest any proposed construction activity area (e.g., the southern extent of Topgolf development site) involve a light industrial land use (West Basin Municipal Water District (WBMWD) Edward C. Little Water Recycling Facility (ECLWRF)) located approximately 75 feet to the south. Project-related ground-borne vibration will be generated primarily during site clearing and grading activities on-site and by off-site haul-truck travel. At 75 feet from the activity source, vibration velocities range from 0.001 to 0.124 inch-per-second PPV. Additionally, the closest sensitive receptor to the Project site (Oceanside Christian Fellowship) is located approximately 2,150 feet to the east and vibratory levels will be below the 0.2 inch-per-second PPV significance threshold at the nearest structure and sensitive receptors. Thus, vibration impacts associated with Project construction will be less than significant.

(2) **Long-Term Operational Noise.** As indicated in the FEIR, the maximum traffic noise level increase caused by the Project will be 2.9 dBA and would
occur along the Project Site Access, east of Sepulveda Boulevard (SR-1). Noise levels under future with Project conditions are expected to exceed the City's allowable maximum exterior noise standard of 65 dBA along three roadway segments. However, when compared to future without Project conditions, no increase in traffic noise levels would occur at these three segments under future with Project conditions. Therefore, as both significance criteria (increase of 3.0 dBA or more and exceedance of the City's 65 dBA noise standard) are not met, Project operational traffic volumes will not significantly contribute to existing traffic noise in the area. Project-related future traffic noise impacts along these roadway segments will be less than significant.

(3) **Long-Term Stationary Noise.** The nearest sensitive receptors that will be subject to noise generated from delivery trucks on the Project site are Oceanside Christian Fellowship Church (located approximately 2,150 feet to the east) and single-family residences (located approximately 2,325 feet to the southwest). At these distances, these receptors will be subject to noise levels of 42.3 dBA and 41.7 dBA, respectively. These projected noise levels are within the City's allowable exterior noise level thresholds (75 dBA for churches and 65 dBA for single-family residences). Additionally, noise from occasional truck deliveries currently exist on the Project site associated with the existing golf course facilities. As such, these sensitive receptors will not be directly exposed to excessive noise levels from delivery trucks associated with the Project. Impacts will be less than significant in this regard.

Future uses within the Project area would use heating, ventilation, and air conditioning units (HVAC). HVAC systems typically result in noise levels that average between 40 and 50 dBA Leq at 50 feet from the equipment. As the nearest sensitive receptor (Oceanside Christian Fellowship) is located approximately 2,150 feet east of the Project site's eastern boundary, and are further from the closest potential location of the HVAC equipment, potential noise levels would be well below the City's limits of 75 dBA for churches. Further, the Metro Green Line railway and Raytheon Space and Airborne Systems are located between the Project site and the nearest sensitive receptor (Oceanside Christian Fellowship Church) located to the east. As such, the Green Line and Raytheon will buffer the Project's mechanical equipment from the church. Therefore, impacts will be less than significant in this regard.

The facility will also include an approximately 3,000 square foot outdoor terrace on the third floor that provides entertainment involving live music from a band or disc jockey (DJ). All DJ's and bands will be required to connect to the facility's in-house sound system and speakers, allowing the ability to control the volume and other sound levels. All overhead speakers would be oriented inward and down to the facility's floors. Previous noise assessments conducted at Topgolf facilities provided measured sound levels resulting from typical weekend activities. The surveys consisted of both short and long-term sound level measurements collected at 17 locations in and around the Gilbert Topgolf facility. It was determined that predicted Topgolf noise levels ranged from 27 dBA to 47 dBA at the nearest sensitive receptors (interior of library and school classrooms and
residences located 400 to 580 feet away from the Gilbert Topgolf facility) and the Gilbert Topgolf Project-related increase (Project noise levels added to the existing baseline noise levels) in ambient noise levels would be zero dB. The nearest sensitive receptor (Oceanside Christian Fellowship) to the Project site is located approximately 2,150 feet east of the Project site's eastern boundary. Given that point sources of noise emissions are atmospherically attenuated by a factor of 6 dBA per doubling of distance, noise levels would be approximately 36 dBA at the Church. As the proposed Project is expected to result in similar noise impacts associated with the Gilbert Topgolf facility operations, a less than significant impact will occur in this regard.

As under existing conditions, outdoor dining and weekly and monthly events, as well as occasional special events would continue to occur with implementation of the Project. Noise generated by groups of people (i.e., crowds) is dependent on several factors including vocal effort, impulsiveness, and the random orientation of the crowd members. Crowd noise is estimated at 60 dBA at one meter (3.28 feet) away for raised normal speaking. This noise level would have a +5 dBA adjustment for the impulsiveness of the noise source, and a -3 dBA adjustment for the random orientation of the crowd members. Therefore, crowd noise would be approximately 62 dBA at one meter from the source (i.e., the outdoor patio area and events). Noise has a decay rate due to distance attenuation, which is calculated based on the Inverse Square Law. Based upon the Inverse Square Law, sound levels decrease by 6 dBA for each doubling of distance from the source. As a result, crowd noise would be 56.0 dBA at 6.56 feet and 52.3 dBA at 10 feet. As the nearest receptors are approximately 3,000 feet to the southwest of the proposed outdoor patio, noise levels would be well below the City's noise standards, and/or the ambient noise levels in the area immediately surrounding the Project site of 66.3 dBA (along the south central portion of the Project site). Therefore, impacts will be less than significant in this regard.

The project proposes to expand the existing surface parking areas to accommodate a total of 523 spaces. The closest sensitive receptors to the parking areas would be approximately 2,325 feet to the southwest. Additionally, parking lot noise currently exists at the Project site from current golf course and recreational uses. Further, commercial and manufacturing uses will be located between the parking areas and sensitive receptors. As the noise generated in the parking areas would be at a distance of approximately 2,325 feet from the closest sensitive receptors, noise associated with parking activities will not exceed the City's exterior standard of 65 dBA for single-family residential uses. As such, impacts will be less than significant in this regard.

(4) **Long-Term Cumulative Noise.** Although related cumulative projects have been identified within the study area, the noise generated by stationary equipment on-site cannot be quantified given the conceptual nature of each development and since speculation would be involved. Each cumulative project would require separate discretionary approval and CEQA assessment, which would address potential noise impacts and identify necessary attenuation measures, where appropriate. The Project will not
result in stationary long-term equipment that would significantly affect surrounding sensitive receptors. Thus, the Project and identified cumulative projects are not anticipated to result in a significant cumulative impact. Less than significant impacts will occur in this regard.

A significant impact would result only if both the combined and incremental effects criteria have been met for long-term cumulative mobile noise. Noise levels along El Segundo Boulevard between SR-1 and Continental Boulevard roadways would range from 55.7 dBA to 69.7 dBA, which are within the City's land use compatibility criteria for the land uses along the roadways. Therefore, a significant impact regarding combined effects will not occur in this regard. The roadway segment along the Project Site Access, east of Sepulveda Boulevard, is expected to have an incremental noise level increase of 2.9 dBA, which is over the 1.0 dBA criteria. However, the combined noise level increase would be 2.9, which is below 3.0 dBA threshold of perception. The resultant noise level is expected be 54.0 dBA, which is within the City's noise standard for land uses along this roadway segment. As also indicated in the FEIR, the resultant noise level for the roadway segment of Manhattan Boulevard (east of SR-1) is expected be 65.5 dBA, which exceeds the 65 dBA noise standard. However, there would be no incremental increase in vehicular noise levels along this segment and the 1.0 dBA criteria would not be exceeded. Additionally, the combined noise level increase would be 0.6 dBA, which is below the 3.0 dBA threshold of perception. Therefore, no significant mobile noise impacts will occur on study area roadway segments, as mobile noise levels will not exceed either the combined or incremental effects criteria, and will comply with the City's noise standards.

b) Finding:

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts with respect to vibration, long-term mobile noise, long-term stationary noise, and cumulative long-term noise impacts. Consequently, no mitigation is required.

7. Population and Housing

a) Facts/Effects:

(1) Displacement of Housing and/or People. No housing units currently exist on the Project site. Therefore, Project implementation will not displace housing or people, necessitating the construction of replacement housing elsewhere.

b) Finding:

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts, either individually or cumulatively, with respect to population and housing. Consequently, no mitigation is required.
8. Public Services and Recreation

   a) Facts/Effects:

   (1) **Fire, Police, Schools, and Parks/Recreation.** The Project will create an increase in demand for fire and police protection services, as well as for schools and parks. Payment of the mitigation fees set forth in El Segundo Municipal Code (ESMC) Chapter 15-57A will ensure that the Project result in less than significant impacts related to fire and police protection services.

   Project implementation will generate indirect student population growth in the Wiseburn School District (WSD). However, the Project will not warrant construction of new or physically altered school facilities. Therefore, the Project will not result in substantial environmental impacts in this regard. WSD charges developer fees for residential and commercial development for the purpose of funding the construction or reconstruction of school facilities. This mitigation fee will be imposed on the Project and will reduce potential impacts to a less than significant level.

   The proposed development includes replacing the existing driving range with a three-story approximately 67,170 gross square-foot Topgolf commercial recreation and entertainment facility. To accommodate the Topgolf facility, the proposed Project includes modifying the fairways and layouts of three holes at the existing golf course. The modified 9-hole public golf course and associated clubhouse amenities will continue to operate. The 3.58 acre SCE easement will continue to be developed as the eastern portion of the nine-hole golf course. Additional modifications include installing new lighting and screening poles, and replacing existing net poles and driving range grass with high density fiber turf. Although the 26.54 Project site will provide both public recreation and commercial recreation facilities, it will continue to contribute to the City's overall open space and recreational facilities acreage of 213.46 acres, as the City considers both public and private space to meet its parkland to population requirements.

   Project implementation will not involve residential development, thus, would not induce substantial population growth through new residential development. Therefore, the Project will not generate a significant demand for park facilities or increase the use of existing recreational facilities through new residential development. The Project will continue to provide a 9-hole public golf course, as well as a commercial recreation and entertainment facility. Moreover, in compliance with ESMC Chapter 15-27A, mitigation fees will be imposed which would minimize, to the greatest extent practicable, the new development's impact on the City's existing parks and recreational facilities. ESMC Chapter 15-27A fees will be imposed by the City to finance public facilities attributable to new development, including parks/open space and recreation facilities and public use (community centers) facilities. Therefore, the Project will not result in substantial adverse physical impacts associated with the need for new or physically altered park or recreational facilities.
(2) **Cumulative Impacts.** The Project will result in increased demands on the City’s fire and police protection services, and parks/recreational services and facilities. However, the Project is subject to compliance with ESMC Chapter 15-27A through which the City imposes development impact fees to finance public facilities attributable to new development, including fire suppression and law enforcement facilities, vehicles, and equipment, and parks/open space and recreation facilities and public use (community centers) facilities. Therefore, because the Project is required to pay ESMC Chapter 15-27A mitigation fees, which are designed to alleviate cumulative impacts to the City, the Project’s incremental effects to fire and police protection services, and parks/recreational services and facilities are not cumulatively considerable. Further, although cumulative development would similarly result in increased demands on existing fire and police protection services, and parks/recreational services and facilities, each cumulative project would be reviewed on a case-by-case basis by various City departments for compliance with minimum standards. Additionally, each cumulative project would be subject to compliance with ESMC Chapter 15-27A and payment of development impact fees to finance public facilities attributable to the new development, including fire suppression and law enforcement facilities, vehicles, and equipment, and parks/open space and recreation facilities and public use (community centers) facilities. Such fees would minimize, to the greatest extent practicable, the cumulative development’s impact on the El Segundo’s public services and public facilities. Thus, cumulative development projects would pay their fair share of the costs of providing such public services and public facilities. Therefore, the combined cumulative impacts to fire and police protection services, and parks/recreational services and facilities associated with the Project’s incremental effects and those of the cumulative projects would be less than significant.

The Project could indirectly generate student population growth in the WSD. However, the Project is subject to compliance with Education Code §§ 17620, et seq., which allows school districts to collect impact fees from developers of new commercial/industrial building space. Therefore, because the Project is required to pay developer impacts fees, which are deemed to be full mitigation, the Project’s incremental effects to school facilities are not cumulatively considerable. Further, although cumulative development would similarly generate student population growth in the WSD, each cumulative Project would be subject to compliance with Education Code § 17620 and payment of development impact fees to school districts. Therefore, the combined cumulative impacts to school districts associated with the Project’s incremental effects and those of the cumulative projects would be less than significant.

b) **Finding:**

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts, either individually or cumulatively, with respect to public services and parks/recreation. Consequently, no mitigation is required.
9. **Transportation and Traffic**

   a) **Facts/Effects:**

   (1) **Intersection Level of Service (including Cumulative impacts).**

   **Forecast Near-Term With Project Conditions**

   With the addition of Project-generated trips, the study intersections are forecast to continue to operate at an acceptable LOS (LOS D or better) according to agency performance criteria for forecast near-term with Project conditions, except the following:

   - Intersection 16 - Douglas Road/El Segundo Boulevard (weekday PM peak hour only);
   - Intersection 17 - Aviation Boulevard/El Segundo Boulevard (weekday PM peak hour only);
   - Intersection 18 - Isis Avenue/El Segundo Boulevard (weekday PM peak hour only); and
   - Intersection 21 - La Cienega Boulevard/El Segundo Boulevard (weekday PM peak hour only).

   As demonstrated in the FEIR, the addition of Project-generated trips will not result in a significant traffic impact at the Local Agency study intersections based on agency-established thresholds of significance for forecast near-term with Project conditions. Therefore, no mitigation is required.

   With the addition of Project-generated trips, the State Highway study intersections are forecast to continue to operate at an acceptable LOS (LOS C or better) according to Caltrans performance criteria for forecast near-term with Project conditions with the exception of the following study intersections:

   - Intersection 1 - Sepulveda Boulevard (SR-1)/El Segundo Boulevard (weekday PM peak hour only);
   - Intersection 4 - Sepulveda Boulevard (SR-1)/Rosecrans Avenue (weekday PM peak hour only);
   - Intersection 7 - Sepulveda Boulevard (SR-1)/Marine Way (weekday PM peak hour only); and
   - Intersection 9 - Sepulveda Boulevard (SR-1)/Manhattan Beach Boulevard (weekday PM peak hour only).

   As demonstrated in the FEIR, based on agency-established thresholds of significance, the Project will not result in a significant traffic impact on any State Highway study intersections for the forecast near-term with Project conditions. Therefore, no mitigation is required.
Forecast Long-Range (Cumulative) Without Project Conditions

With the addition of Project-generated trips, the Local Agency study intersections are forecast to continue to operate at an acceptable LOS (LOS D or better) according to agency performance criteria for forecast long-range with Project conditions with the exception of the following study intersections:

- Intersection 15 - Nash Street/El Segundo Boulevard (weekday PM peak hour only);
- Intersection 16 - Douglas Road/El Segundo Boulevard (weekday PM peak hour only);
- Intersection 17 - Aviation Boulevard/El Segundo Boulevard (weekday PM peak hour only);
- Intersection 18 - Isis Avenue/El Segundo Boulevard (weekday PM peak hour only); and
- Intersection 21 - La Cienega Boulevard/El Segundo Boulevard (weekday PM peak hour only).

With the addition of Project-generated trips, the State Highway study intersections are forecast to continue to operate at an acceptable LOS (LOS C or better) according to Caltrans performance criteria for forecast long-range with Project conditions, except the following:

- Intersection 1 - Sepulveda Boulevard (SR-1)/El Segundo Boulevard (both weekday PM peak hour and weekend mid-day peak hour);
- Intersection 4 - Sepulveda Boulevard (SR-1)/Rosecrans Avenue (both weekday PM peak hour and weekend mid-day peak hour);
- Intersection 5 - Sepulveda Boulevard (SR-1)/33rd Street (both weekday PM peak hour and weekend mid-day peak hour);
- Intersection 6 - Sepulveda Boulevard (SR-1)/30th Street (weekday PM peak hour only);
- Intersection 7 - Sepulveda Boulevard (SR-1)/Marine Way (both weekday PM peak hour and weekend mid-day peak hour);
- Intersection 9 - Sepulveda Boulevard (SR-1)/Manhattan Beach Boulevard (both weekday PM peak hour and weekend mid-day peak hour);
- Intersection 13 - Sepulveda Boulevard (SR-1)/Artesia Boulevard (both weekday PM peak hour and weekend mid-day peak hour);
- Intersection 19 - I-405 Southbound Ramps/El Segundo Boulevard (weekday PM peak hour only); and
- Intersection 22 - I-405 Northbound Ramps/El Segundo Boulevard (weekday PM peak hour only).

As demonstrated in the FEIR, based on the thresholds of significance, the Project is forecast to result in no significant traffic impacts at the State Highway study intersections for forecast long-range with Project conditions.
(2) **Compliance with Congestion Management Program (CMP).**

*Forecast Near-Term With Project Conditions*

With the addition of Project-generated trips, the CMP study intersections are forecast to operate at an acceptable LOS (LOS F) according to CMP performance criteria for forecast near-term with Project conditions, except the following:

- Intersection 1 - Sepulveda Boulevard (SR-1) / El Segundo Boulevard (weekday PM peak hour only); and
- Intersection 4 - Sepulveda Boulevard (SR-1) / Rosecrans Avenue (weekday PM peak hour only).

As demonstrated in the FEIR, based on CMP thresholds of significance, the addition of Project-generated trips is forecast to result in no significant impact at the CMP study intersections for forecast near-term with Project conditions. Therefore, no mitigation is required.

*Forecast Long-Range With Project Conditions*

The CMP study intersections are forecast to continue to operate at an acceptable LOS (LOS F) according to CMP performance criteria for forecast long-range without Project conditions, except the following:

- Intersection 1 - (Sepulveda Boulevard (SR-1)/El Segundo Boulevard, CMP) weekday p.m. and weekend mid-day peak hours;
- Intersection 4 - (Sepulveda Boulevard (SR-1)/Rosecrans Avenue, CMP) weekday p.m. and weekend mid-day peak hours; and
- Intersection 13 - (Sepulveda Boulevard (SR-1)/Artesia Boulevard, CMP) weekday p.m. and weekend mid-day peak hours.

As demonstrated in the FEIR, based on CMP thresholds of significance, the addition of Project-generated trips is forecast to result in no significant impact at the CMP study intersections for forecast long-range with Project conditions. Therefore, no mitigation is required.

(3) **CMP Transit Impacts.** Project implementation will increase the demand for public transit use in the Project vicinity. Based on the CMP guidelines, and the proximity of the various Project land uses in relation to available transit in the vicinity, the Project is forecast to generate approximately two weekday AM peak hour transit trips, approximately 12 weekday PM peak hour transit trips, and approximately 110 weekday daily transit trips. Further, the Project is forecast to generate approximately nine weekend mid-day peak hour transit trips, and approximately 185 weekend mid-day daily transit trips. As the Project transit trips can be accommodated by existing transit service in the Project vicinity, no significant CMP transit impacts are expected to occur.

(4) **Cumulative Impacts.** The forecast long-range without Project traffic volumes are derived by adding trips associated with 93 cumulative projects
expected to be constructed and generating trips by Project buildout. As demonstrated in the FEIR, the Project will not result in a significant impact at study intersections for forecast long-range with Project buildout conditions. Therefore, the combined cumulative traffic and circulation impacts associated with the Project’s incremental effects and those of the cumulative projects will be less than significant for the identified intersections.

Notwithstanding, all cumulative projects would be evaluated on a project-by-project basis as they are implemented within the City of El Segundo and the other cities/communities. Each cumulative project would undergo a similar plan review process as the proposed Project, to determine whether preparation of a Traffic Impact Analysis is warranted, and the potential traffic and circulation impacts. Each cumulative project would be analyzed within the context of their respective traffic study areas.

b) Finding:

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts, either individually or cumulatively, with respect to transportation/traffic, and CMP facilities and CMP transit. Consequently, no mitigation is required.

10. Utilities and Service Systems

a) Facts/Effects:

(1) Wastewater Treatment Requirements. Project implementation will not alter the Joint Water Pollution Control Plant’s (JWPCP’s) design capacities or cause the plant (i.e., discharger) to violate the effluent limitations, receiving water limitations, or standard provisions. Development associated with Project will be required to comply with NPDES requirements for any uses that plan to discharge wastewater to the City’s sewage system, which ultimately flows to the JWPCP. Additionally, Project implementation will not require increases in the JWPCP’s design capacities. Therefore, Project implementation will not cause the Los Angeles Regional Water Quality Control Board (LARWQCB) wastewater treatment requirements to be exceeded and a less than significant impact will occur in this regard.

(2) Water Supplies and Facilities. The West Basin Municipal Water District (WBMWD) 2015 Urban Water Management Plan (UWMP) considers population projections through the year 2040 based on land uses anticipated by the General Plan. Although the Project includes amendments to the General Plan with adoption of The Lakes Specific Plan, the Topgolf development will be developed at a floor area ratio (FAR) of 0.147, which is less than the development anticipated by the General Plan. Thus, the proposed development potential is accounted for in WBMWD’s 2015 UWMP. According to the WBMWD 2015 UWMP, although WBMWD’s service area population is projected to increase, the overall baseline potable demand is expected to decrease given further water use efficiency and recycled water program implementation. Further, WBMWD does not anticipate any shortages and would be able to provide reliable water supplies under normal, single-dry year, and multiple-dry year
conditions. Any shortfall in supplies would be met through imported water so long as MWD manages its supply and demand balance through its Water Surplus and Drought Management Plan (WSDM) and Water Supply Allocation Plan (WSAP). Therefore, there will be sufficient water supplies available to serve the Project from existing entitlement and resources, and no new or expanded entitlement would be needed. A less than significant impact will occur in this regard.

The Project site is currently served by existing water lines. Due to proposed grading for the Project, some portions of the existing eight-inch water line may require reconstruction to maintain proper depth of the pipe. Two new PVC water laterals would connect the existing 8 inch ductile iron water line to the proposed development to supply water and fire water. The water facilities’ environmental impacts would occur within the Project site boundaries and would be less than significant.

Water for fire suppression is provided by on-site building sprinklers and from two off-site fire hydrants located on Sepulveda Boulevard. Fire flows for the proposed development will be subject to County of Los Angeles Fire Department Land Development Unit Standards. Therefore, impacts in regard to fire flows will be less than significant.

Increased demand for recycled water beyond existing conditions is not anticipated. The Topgolf facility will replace the natural grass at the existing driving range with synthetic turf, thereby reducing the demand for recycled/reclaimed water. Reclaimed water service is anticipated to be provided through the existing point of connection on Hughes Way. Thus, expansion of facilities is not anticipated. A less than significant impact will occur in regard to demand and/or expansion of recycled water facilities.

(3) Wastewater Facilities and Treatment. The Project will construct two new laterals to serve the proposed development. As detailed in the FEIR, the wastewater facilities’ environmental impacts will occur within the Project site boundaries and will be less than significant.

According to the Districts, the Project’s projected increase in average daily wastewater generation beyond existing conditions is estimated at 7,705 gallons per day (gpd), which will be served by the Districts’ existing 24-inch diameter trunk sewer. The increase in wastewater generated by the Project (approximately 7,705 gpd) represents approximately 0.0004 percent of the remaining Districts’ capacity. Thus, the proposed development will not exceed the available capacity at the JWPCP. Therefore, adequate capacity exists to serve the Project’s projected demand and Project implementation will not require increases to the Districts truck sewer or in the JWPCP’s design capacities. Project implementation will not require or result in the construction of new wastewater facilities or expansion of existing facilities beyond the construction of the new sewer laterals located onsite. A less than significant impact will occur in this regard.

(4) Solid Waste. The Project will be served by a landfill with sufficient permitted capacity to accommodate the Project’s solid waste disposal needs.
Further, the Project will be required to comply with the City’s Source Reduction and Recycling Element (SRRE) for diverting solid waste. Some of the source reduction programs that will be available to the commercial uses are: Commercial On-Site Greenwaste Pick-Up; Electronic Waste; Commercial On-site Pick-Up; and Business Waste Reduction Program. Compliance with the SRRE will reduce the volume of solid waste ultimately disposed of at a landfill. Additionally, compliance with the SRRE will be in furtherance of meeting the City’s disposal rate targets and exceeding AB 939’s 50 percent diversion requirement. Continued compliance with the SRRE will ensure that the Project will comply with the statutes and regulations related to solid waste. Therefore, the Project will not conflict with federal, state, or local statutes and regulations related to solid waste, and a less than significant impact will occur in this regard.

(5) **Dry Utilities.** The Project will involve minor improvements, including a new underground utility conduit system, new gas line, and connections for the telecommunications systems. Proposed improvements to dry utilities are minor and will not cause significant environmental effects. Thus, a less than significant impact will occur in this regard.

(6) **Cumulative Impacts.** The Project and cumulative projects would increase demand for water associated with new development. As with the Project, all future cumulative development would undergo environmental review on a project-by-project basis in order to evaluate potential impacts to the local water system and ensure compliance with the established regulatory framework. Cumulative impacts to the local water system within the City of El Segundo would be mitigated on a project-by-project basis. WBMWD does not anticipate any shortages in water supply associated with the Project and will be able to provide reliable water supplies under normal, single-dry year, and multiple-dry year conditions. Therefore, Project implementation will not result in cumulatively considerable impacts to the water system.

The Project and cumulative projects will result in increased demands on the local sewer system. As with the Project, all future cumulative development would undergo environmental review on a project-by-project basis, in order to evaluate potential impacts to the local wastewater system and ensure compliance with the established regulatory framework. Cumulative impacts to the local water system within the City of El Segundo would be mitigated on a project-by-project basis. Construction of new sewer facilities associated with the Project will not result in a significant environmental effect. Further, it was determined based on existing capacity, that the Districts’ local trunk sewer and the JWPCP treatment facility will have capacity to serve the Project. The Project will also be responsible for paying a fee to the Districts in an amount sufficient to construct an incremental expansion of the sewerage system to accommodate the Project. Payment of the fees will ensure adequate capacity to serve the development being proposed at that time. Therefore, project implementation will not result in cumulatively considerable impacts to the sewer system.
The cumulative projects involve new developments, which would increase solid waste generation, impacting capacities of the landfills receiving their wastes. The Project will similarly increase solid waste generation and impact capacities at landfills. Therefore, the Project’s incremental effects to landfill capacities are cumulatively considerable. However, compliance with the El Segundo and respective cities’ SRREs will reduce the volume of solid waste ultimately disposed of at a landfill. Additionally, compliance with the SRRE will be in furtherance of meeting each jurisdiction’s disposal rate targets and exceeding AB 939’s 50 percent diversion requirement. Therefore, the combined cumulative impacts to landfill capacities associated with the Project’s incremental effects and those of the cumulative projects will be less than significant.

The dry utilities would not provide service to the Project (or any new development), if there were not adequate supplies and infrastructure to maintain existing service levels and meet the anticipated demands of the specific development requesting service. Therefore, the Project’s incremental effects to dry utilities are not cumulatively considerable.

b) Finding:

Based on the administrative record as a whole, the City Council finds that the Project will not result in significant impacts with respect to wastewater facilities and treatment, water supplies and facilities, solid waste, dry utilities, or cumulative impacts to public utilities and service systems. Consequently, no mitigation is required.

D. Impacts Identified as Potentially Significant in the Initial Study But Which Can Be Reduced to Less-Than-Significant Levels with Mitigation Measures.

Based on the evidence in the record as a whole, the City Council finds that the implementation of specified mitigation measures will ensure that the Project will have less than significant environmental effects in the following areas:

1. Air Quality

   a) Facts/Effects:

   (1) Air Quality Standards – Short-Term. Temporary impacts could result from Project construction activities. Short-term air emissions would result from particulate (fugitive dust) emissions from grading and building construction and exhaust emissions from the construction equipment and the motor vehicles of the construction crew. Maximum particulate matter emissions will occur during the initial stages of construction, when grading activities will occur. Mitigation Measure AQ-1 requires that construction activities comply with SCAQMD Rule 403, such that excessive fugitive dust emissions shall be controlled by regular watering or other dust prevention measures. In addition, SCAQMD Rule 402 is required for implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site and after implementation will reduce short-term fugitive dust impacts on nearby sensitive receptors. With adherence to Mitigation Measure AQ-1, and other dust control techniques, the maximum mitigated
particulate matter concentration will not exceed SCAQMD thresholds. Further, ROG emissions and construction equipment and worker vehicle exhaust emissions will not exceed the emissions thresholds. A less than significant impact will occur in this regard. The Project is not located in an area where naturally occurring asbestos (NOA) is likely to be present. Therefore impacts will be less than significant.

In accordance with the SCAQMD Guidelines, CalEEMod was utilized to model construction emissions for ROG, NOX, CO, SOX, PM10, and PM2.5. Unmitigated construction-related emissions are not expected to exceed SCAQMD construction thresholds, thus, emissions from construction-related activities will be less than significant. Implementation of Mitigation Measure AQ-1 is recommended to further lessen construction-related impacts by requiring measures to reduce air pollutant emissions from construction activities. Additionally, compliance with standard regulations and SCAQMD rules are included in these mitigation measures in order to ensure compliance and provide a verification method through the CEQA process (i.e., the Mitigation Monitoring Program). Therefore, construction emissions will be at less than significant levels.

(2) **Air Quality Management Plan.** The determination of 2012 AQMP consistency is primarily concerned with a project's long-term influence on the Basin's air quality. The Project will not result in a long-term impact on the region's ability to meet State and Federal air quality standards. Also, the Project will be consistent with the AQMP’s goals and policies for control of fugitive dust. As discussed in the FEIR, the Project's long-term influence will also be consistent with the SCAQMD and SCAG's goals and policies and is, therefore, considered consistent with the 2012 AQMP. The Project will be required to comply with applicable emission reduction measures identified by the SCAQMD. These measures have been included as Mitigation Measure AQ-1. The Project thus meets this AQMP consistency criterion. Impacts associated with compliance with the 2012 AQMP will be less than significant.

(3) **Cumulative Short-Term Construction Air Emissions.** Of the cumulative projects that have been identified within the Project study area, there are a number of related projects that have not been built or are currently under construction. Since the Project Applicant has no control over the timing or sequencing of the related projects, any quantitative analysis to ascertain the daily construction emissions that assumes multiple, concurrent construction would be speculative.

The Project is required to comply with SCAQMD Rule 403 requirements and implement all feasible mitigation measures. In addition, the Project will comply with adopted 2012 AQMP emissions control measures. Per SCAQMD rules and mandates, as well as the CEQA requirement that significant impacts be mitigated to the extent feasible, these same requirements (i.e., Rule 403 compliance, the implementation of all feasible mitigation measures, and compliance with adopted 2012 AQMP emissions control measures) will also be imposed on construction projects throughout the Basin, which will include each of the related cumulative projects.
Compliance with SCAQMD rules and regulations and Mitigation Measure AQ-1 will reduce construction-related impacts to a less than significant level during construction. Thus, it can be reasonably inferred that the Project-related construction activities, in combination with those from other projects in the area, will not significantly deteriorate the local air quality. Cumulative construction-related impacts will be less than significant.

(4) **Cumulative Consistency with Regional Plans.** The City of El Segundo is subject to the SCAQMD’s 2012 AQMP. Additionally, the City is located within the Los Angeles County subregion of the SCAG RTP/SCS, which governs population growth. The General Plan is consistent with the RTP/SCS, and since the RTP/SCS is consistent with the 2012 AQMP, growth under the General Plan is consistent with the 2012 AQMP. In addition, as Project operational emissions will not exceed SCAQMD thresholds, the Project will not conflict or obstruct the 2012 AQMP. As such, the Project will not cumulatively contribute to impacts in this regard, and a less than significant impact will occur. It is noted that all applicable construction emission reduction measures will be required for the Project to ensure impacts are minimized (refer to Mitigation Measure AQ-1).

b) **Mitigation:**

**AQ-1**

In accordance with SCAQMD Rule 403, excessive fugitive dust emissions must be controlled by regular watering or other dust prevention measures, and with Rule 402, which requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site as specified in the SCAQMD’s Rules and Regulations, the following shall be implemented during construction:

- a. All active portions of the construction site must be watered every three hours during daily construction activities and when dust is observed migrating from the Project site to prevent excessive amounts of dust.
- b. Appoint a construction relations officer to act as a community liaison concerning on-site construction activity including resolution of issues related to particulate matter generation.
- c. Pave or apply water every three hours during daily construction activities or apply non-toxic soil stabilizers on all unpaved access roads, parking areas, and staging areas. More frequent watering must occur if dust is observed migrating from the site during site disturbance.
- d. Any on-site stockpiles of debris, dirt, or other dusty material must be enclosed, covered, watered twice daily, or non-toxic soil binders shall be applied.
- e. All grading and excavation operations must be suspended when wind speeds exceed 25 miles per hour.
- f. Disturbed areas must be replaced with ground cover or paved immediately after construction is completed in the affected area.
- g. Track-out devices such as gravel bed track-out aprons (3 inches deep, 25 feet long, 12 feet wide per lane and edged by rock berm or row of stakes) are required to reduce mud/dirt trackout
from unpaved truck exit routes. Alternatively a wheel washer must be used at truck exit routes.

h. On-site vehicle speed must be limited to 15 miles per hour.
i. All material transported off-site must be either sufficiently watered or securely covered to prevent excessive amounts of dust before departing the job site.
j. Reroute construction trucks away from congested streets or sensitive receptor areas.

c) Finding:

Based on the evidence in the record as a whole, the City Council finds that the identified mitigation measures, together with the Project's conditions of approval, will avoid or decrease to a level of insignificance the potential air quality impacts as identified in the FEIR.


a) Facts/Effects:

(1) Construction-Related Accidental Release of Hazardous Materials. The completed Phase II ESA addressed the identified Recognized Environmental Conditions (RECs) and no concerns that would warrant further assessment or action were identified. Based on this data no further assessment of the site was recommended. Therefore, short-term construction activities will not create a significant hazard to the public or environment through accident conditions involving the release of hazardous materials associated with these known RECs.

There is the potential for asbestos-containing materials (ACMs) or lead-based paints (LBPs) due to the ages of the structures and the time period which ACMs and LBPs were phased out of building materials. Demolition of onsite structures could expose construction personnel and the public to ACMs or LBPs are present. All demolition that could result in the release of ACMs or LBPs must be conducted according to Federal and State standards. With implementation of Mitigation Measure HAZ-1, and compliance with applicable federal, State, and local regulatory requirements, potential impacts through accident conditions involving the release of hazardous materials (ACMs/LBPs) will be reduced to less than significant levels.

Other means by which accidental spills could result during construction of future development involve the use of construction equipment that may result in petroleum-based fuel spills. The level of risk associated with this type of spill is not considered significant due to the small volume and low concentration of hazardous materials utilized during construction. Standard construction practices will be observed such that any materials released would be appropriately contained and remediated as required by local, State, and Federal law. Project impacts in this regard will be less than significant.
b) Mitigation:

HAZ-1 Before a Demolition Permit is issued, an environmental professional with Phase II/site characterization experience must conduct an inspection of existing onsite structures. The inspection must determine whether or not testing is required to confirm the presence or absence of hazardous substances in building materials (e.g., sinks, drains, piping, flooring, walls, ceiling tiles). Should testing be required and results determine that hazardous substances are present in onsite building materials, the Phase II/site characterization specialist must determine appropriate prevention/remediation measures that are required and/or the methods for proper disposal of hazardous waste at an approved landfill facility, if required.

c) Finding:

Based on the evidence in the record as a whole, the City Council finds that the identified mitigation measures, together with the Project's conditions of approval, will avoid or decrease to a level of insignificance the potential hazards and hazardous materials impacts identified in the FEIR.

3. Noise

a) Facts/Effects:

(1) Short-Term Construction Noise Impacts. Project-related grading and construction activities could generate significant amounts of noise and vibration. Project construction activities could expose sensitive receptors in the surrounding area to sporadic high noise and vibration levels (as a result of power tools, jack-hammers, truck noise, etc.). The sensitive receptors located nearest the Project site are the Christian Fellowship Church (including a child day care facility) located approximately 2,150 feet to the east, and the single-family residences located approximately 2,325 to the southwest. Given these distances and the noise attenuation achieved with each doubling of distance (approximately 6 dB), Project construction noise will be approximately 63.3 dBA and 62.7 dBA at the Church and residences property lines, respectively. It is noted that these noise levels do not account for additional attenuation that will occur from intervening topography or structures. Project construction noise will not interfere with normal activities at these offsite sensitive receptors and will not exceed the City's noise standard for residential properties (five (5) dBA above the ambient noise level or 65 dBA). Therefore, Project grading and construction will not result in significant temporary noise levels at nearby noise sensitive receptors and a less than significant impact would occur in this regard. Implementation of Mitigation Measure N-1 will further minimize potential construction noise levels by requiring preparation of a Construction Noise Management Plan that includes limiting construction to the less noise sensitive periods of the day (i.e., between the hours of 7:00 AM and 6:00 PM per ESMC §7-2-10) and ensuring that proper operating procedures are followed during construction so that nearby sensitive receptors are not adversely affected by noise and vibration (i.e., pursuant
to the standards set forth in ESMC §7-2-4). Therefore, following compliance with the ESMC and implementation of Mitigation Measure N-1, Project construction noise impacts will be less than significant.

(2) Short-Term Cumulative Noise Impacts. Construction activities associated with the Project and cumulative projects may overlap, resulting in construction noise in the area. However, as analyzed in the FEIR, construction noise impacts primarily affect the areas immediately adjacent to the construction site. Construction noise for the proposed Project was determined to be less than significant following compliance with the ESMC and Mitigation Measure N-1. The closest cumulative project is the El Segundo South Campus Specific Plan (ESSCSP) within Raytheon that involves office, retail, warehouse, light industrial uses located directly east of the Project site. Future development within the ESSCSP area would be subject to City standards and in accordance with a Construction Noise Management Plan, which limits construction to the less noise sensitive periods of the day and ensuring proper operating procedures during construction, which would reduce construction noise impacts to a less than significant level. Therefore, this cumulative project combined with the Project will result in less than significant construction-related cumulative noise impacts.

b) Mitigation:

N-1 Before the City issues grading permits, the Project Applicant must demonstrate, to the satisfaction of the Director of Public Works that the Project complies with the following:

- All construction equipment must be equipped with mufflers and sound control devices (e.g., intake silencers and noise shrouds) no less effective than those provided on the original equipment and no equipment shall have an un-muffled exhaust.
- The contractor must maintain and tune-up all construction equipment to minimize noise emissions.
- Stationary equipment must be placed so as to maintain the greatest possible distance to the sensitive receptors.
- All equipment servicing must be performed so as to maintain the greatest possible distance to the sensitive receptors.
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for project construction are required to be hydraulically or electronically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler must be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves must be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures must be used, such as drills rather than impact equipment, whenever feasible.
- A qualified "Noise Disturbance Coordinator" will be retained amongst the construction crew to be responsible for responding
to any local complaints about construction noise. When a complaint is received, the Disturbance Coordinator shall notify the City within 24 hours of the complaint and determine the cause of the noise complaint (e.g., starting too early, malfunctioning muffler, etc.) and implement reasonable measures to resolve the compliant, as deemed acceptable by the Director of Planning and Building Safety.

- Select demolition methods to minimize vibration, where possible (e.g., sawing masonry into sections rather than demolishing it by pavement breakers).

c. Finding:

Based on the evidence in the record as a whole, the City Council finds that the identified mitigation measures, together with the Project’s conditions of approval, will avoid or decrease to a level of insignificance the potential short-term construction and short-term cumulative construction noise effects.

E. Significant Unavoidable Effects that Cannot be Mitigated to a Level of Insignificance.

The City Council finds that no environmental effects were identified as Significant and Unavoidable in the FEIR.

F. Growth Inducing Impacts.

Based on the whole of the administrative record, the City Council finds that the Project will not result in significant growth inducing impacts.

G. Project Alternatives.

1. Alternatives Considered but Rejected

In accordance with CEQA Guidelines § 15126.6(c), an EIR should identify any alternatives that were considered for analysis but rejected as infeasible and briefly explain the reasons for their rejection. According to the CEQA Guidelines, among the factors that may be used to eliminate alternatives from detailed consideration are the alternative’s failures to meet most of the basic project objectives, the alternative’s infeasibility, or the alternative’s inability to avoid significant environmental impacts. Two alternatives were considered but rejected, as discussed below.

Alternative Site Alternative. Among the factors that may be taken into account when addressing the feasibility of alternatives are site suitability and whether the proponent can reasonably acquire, control, or otherwise have access to the alternative site (or the site is already owned by the proponent). Only locations that would avoid or substantially lessen any of the Project’s significant effects need be considered for inclusion. The Applicant does not retain any ownership rights to other properties within the City limits and there are no other infill sites available that are adequately sized and environmentally compatible.

No Topgolf Facility/18-Hole Golf Course Alternative. The Lakes at El Segundo, including the nine-hole executive golf course, practice facility with driving range
containing 57 hitting bays and a putting green, a club house and associated facilities, and water features, encompasses approximately 30 acres. This Alternative involves expanding the existing golf course from nine to 18 holes and retaining the associated facilities. This Alternative excludes the proposed Specific Plan and Topgolf facility.

According to the Golfsmith, the sizes of 18-hole golf courses vary, although the distance hole to hole is generally between 5,000 and 7,000 yards. In order to accommodate the rough, fairways, tee areas, clubhouse, driving range, and practice greens, most golf courses encompass between 110 to 190 acres. Concerning urban courses, the Golf Course Superintendent Association of America reported that an 18-hole golf facility, which includes bodies of water, hard structures and out-of-play areas, averages between 150 and 200 acres. Typically, urban golf courses are approximately 110 to 120 acres, while resort area courses are approximately 170 to 190 acres.

The 18-Hole Golf Course Alternative was eliminated from detailed consideration, since the approximately 30-acre Project site is not large enough to accommodate an 18-hole golf course, which requires approximately 110 acres. Additionally, although the degree of environmental impacts associated with this Alternative would likely be less than with the Project, this Alternative would require mitigation similar to the Project to ensure impacts remain less than significant. Therefore, this Alternative would not avoid the Project’s environmental impacts. Finally, this Alternative was eliminated from detailed consideration, since it failed to meet the Project’s most basic objective to provide for superior, more comprehensive site planning of The Lakes Specific Plan area and development standards that address the needs of the site’s unique public recreation and commercial recreation uses. This Alternative would likely create additional revenue opportunities for the City, however, to a lesser degree than the Project. Finally, this Alternative would not reduce the City’s deferred maintenance exposure.

2. No Project Alternative

a) Description:

The 30.79-acre site is generally triangular shaped and level (encompasses Assessor Parcel Numbers 4138-014-913 and 4138-014-806). The property is currently developed with the following facilities: The Lakes at El Segundo (a 26.54-acre publically owned executive golf course, a two level driving range, putting green, a club house and associated facilities, and water features); Southern California Edison Easement (3.58-acre easement to the east); and West Basin Municipal Water District Property (0.67-acre undeveloped property with ground cover and perimeter landscaping).

The Lakes at El Segundo golf course currently operates from 6:00 a.m. to dusk, and the practice facility operates from 6:00 a.m. to 11:00 p.m. The clubhouse and pro shop operate from 6:00 a.m. to 10:00 p.m. The pro shop’s restaurant/grill and bar opens at 7:00 a.m. and closes at dusk.

The “No Project” Alternative would retain the Project site in its current condition and the land uses would continue to operate “business as usual.” With this Alternative, the site would remain developed with the existing The Lakes at El Segundo golf course and associated facilities. Under the “No Project” Alternative, The Lakes at El Segundo Specific Plan would not be adopted. New land use types
(i.e., commercial), would not be introduced, as proposed by the Project. None of the proposed amendments to the El Segundo General Plan (General Plan) or General Plan Map, or Zoning/El Segundo Municipal Code (ESMC) would be implemented. The existing surface parking lots would remain.

The “No Project” Alternative would maintain the existing land use designations, as detailed in Table 3-3, Existing Land Use Designations and Zoning. As indicated in Table 3-2, The Lakes at El Segundo Existing Development, existing development totals 14,204 square feet and a floor area ratio (FAR) of approximately 0.012. Under this Alternative, no structures would be demolished, and the existing floor area and floor area ratios would be retained. The Lakes at El Segundo executive golf course, practice facilities, restaurants/bar, pro shop and other event space would continue to operate similar to existing hours.

b) Finding

The City Council finds that the “No Project” Alternative would not attain most of the Project’s basic objectives. It would not provide a superior, more comprehensive site planning of The Lakes Specific Plan area and development standards that address the needs of the site’s unique public recreation and commercial recreation uses. This Alternative would only meet one Project objective, as the uses within The Lakes Specific Plan area would be consistent with prior zoning and compatible with adjacent uses. However, no additional recreational opportunities or additional revenue opportunities would be generated for the City, nor would the City reduce deferred maintenance exposure.

3. Larger Topgolf Facility Alternative

a) Description:

The proposed Project would be the smallest Topgolf facility, with 104 driving bays. The “Larger Topgolf Facility” Alternative assumes the typical size of a Topgolf facility, which includes 120 driving bays. The “Larger Topgolf Facility” Alternative assumes facilities similar to the Project, although an additional of 75,000 square feet would be developed. Under this Alternative, the existing driving range would be replaced with a three-story Topgolf commercial recreation and entertainment facility. The new facility would include an approximately 37,500 square-foot hitting bay and seating/waiting area, with private suites. To accommodate the larger Topgolf facility, this Alternative includes modifying the fairways and layout at the existing golf course, including modifying the existing 9th hole at The Lakes Golf Course, which is currently a par 4 hole (approximately 260 feet in length).

Under this Alternative, buildout of the Specific Plan area could not exceed the maximum allowed development under the Specific Plan or the specified FAR, which compared to the proposed Project would involve an additional approximately 75,000 square feet.

b) Finding:

The “Larger Topgolf Facility” Alternative would attain most of the Project’s basic objectives. It would provide a superior, more comprehensive site planning of The Lakes Specific Plan area and development standards that address the needs of
the site's unique public recreation and commercial recreation uses. As with this Project, with this Alternative, the uses within The Lakes Specific Plan area would be consistent with prior zoning and compatible with adjacent uses. Additional recreational opportunities and additional revenue opportunities would be generated for the City, however, to a greater degree than the Project. As with the Project, the City would reduce deferred maintenance exposure with this Alternative.

4. Environmentally Superior Alternative

In compliance with PRC §15126.6(d), a matrix displaying the major characteristics and significant environmental effects of each alternative is included in the FEIR; see Table 7-1, Comparison of Alternatives. The purpose of this matrix is to summarize a comparison of project alternatives. Pursuant to PRC §15126.6, it is required that one alternative be identified as the environmentally superior alternative. Furthermore, if the environmentally superior alternative is the "No Project" alternative, the FEIR must also identify the environmentally superior alternative from among the other alternatives. As indicated in FEIR Table 7-1, the "No Project" Alternative is the environmentally superior alternative, because it would avoid most impacts associated with development of the proposed Project. Therefore, in compliance with CEQA requirements, an environmentally superior alternative among the other alternatives is identified below. The single other Alternative analyzed, the "Larger Topgolf Facility" Alternative would result in greater impacts than the Project. Therefore, there are no other alternatives considered environmentally superior to the Project.

III. STATEMENT OF OVERRIDING CONSIDERATIONS

The City Council finds on the basis of the FEIR and the record of proceedings in this matter that the proposed Project would not result in temporary or permanent significant and unavoidable effects for any of the environmental issue areas identified in Appendix G of the State CEQA Guidelines. Therefore, no Statement of Overriding Considerations is necessary.

IV. SUBSTANTIAL EVIDENCE

The City Council finds and declares that each and every finding made herein is supported by substantial evidence in the administrative record.

V. CERTIFICATION OF EIR

The City Council hereby certifies that the Final Environmental Impact Report SCH #2016091003, dated May 2017, for The Lakes Specific Plan and Topgolf Project has been completed in compliance with the California Environmental Quality Act and reflects the City's independent judgment and analysis.
CITY COUNCIL RESOLUTION NO. ___
Exhibit B

MITIGATION MONITORING AND REPORTING PROGRAM

Section 1.0, Executive Summary, and Section 5.0, Environmental Analysis, identify the mitigation measures that will be implemented to avoid or lessen the environmental impacts associated with The Lakes Specific Plan and Topgolf Project. Public Resources Code § 21081.6 requires a public agency to adopt a monitoring and reporting program for assessing and ensuring compliance with any required mitigation measures applied to the proposed development:

... the public agency shall adopt a reporting or monitoring program for the changes to the project which it has adopted, or made a condition of project approval, in order to mitigate or avoid significant effects on the environment.

Public Resources Code Section § 21081.6 also provides general guidelines for implementing mitigation monitoring programs and indicates that specific reporting/monitoring requirements enforced during Project implementation must be defined before Final EIR certification.

The mitigation monitoring table provided below lists mitigation measures that can be included as conditions of approval for the Project. These measures correspond to those outlined in Section 1.0 and discussed in Section 5.0. To ensure that the mitigation measures are properly implemented, a Mitigation Monitoring and Reporting Program (MMRP) has been drafted to identify the timing and responsibility for each measure. The City of El Segundo will have the primary responsibility for monitoring and reporting implementation of the mitigation measures.
<table>
<thead>
<tr>
<th>Mitigation Measure</th>
<th>Monitoring Phasing/Timing</th>
<th>Monitoring Procedure</th>
<th>Implementing Party/Agency</th>
<th>Verification of Compliance</th>
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<tr>
<td>AIR QUALITY</td>
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In accordance with SCAQMD Rule 403, excessive fugitive dust emissions must be controlled by regular watering or other dust prevention measures, and with Rule 402, which requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site as specified in the SCAQMD’s Rules and Regulations, the following shall be implemented during construction:

- a. All active portions of the construction site must be watered every three hours during daily construction activities and when dust is observed migrating from the Project site to prevent excessive amounts of dust.
- b. Appoint a construction relations officer to act as a community liaison concerning on-site construction activity including resolution of issues related to particulate matter generation.
- c. Pave or apply water every three hours during daily construction activities or apply non-toxic soil stabilizers on all unpaved access roads, parking areas, and staging areas. More frequent watering must occur if dust is observed migrating from the site during site disturbance.
- d. Any on-site stockpiles of debris, dirt, or other dusty material must be enclosed, covered, watered twice daily, or non-toxic soil binders shall be applied.
- e. All grading and excavation operations must be suspended when wind speeds exceed 25 miles per hour.
### THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT

#### MITIGATION MONITORING AND REPORTING PROGRAM

<table>
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<tr>
<th>Mitigation Measure</th>
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<td>f. Disturbed areas must be replaced with ground cover or paved immediately after construction is completed in the affected area.</td>
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<td>g. Track-out devices such as gravel bed track-out aprons (3 inches deep, 25 feet long, 12 feet wide per lane and edged by rock berm or row of stakes) are required to reduce mud/dirt trackout from unpaved truck exit routes. Alternatively a wheel washer must be used at truck exit routes.</td>
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<td>h. On-site vehicle speed must be limited to 15 miles per hour.</td>
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<td>i. All material transported off-site must be either sufficiently watered or securely covered to prevent excessive amounts of dust before departing the job site.</td>
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<td>j. Reroute construction trucks away from congested streets or sensitive receptor areas.</td>
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#### HAZARDS AND HAZARDOUS MATERIALS

**HAZ-1**
Before a Demolition Permit is issued, an environmental professional with Phase II/site characterization experience must conduct an inspection of existing onsite structures. The inspection must determine whether or not testing is required to confirm the presence or absence of hazardous substances in building materials (e.g., sinks, drains, piping, flooring, walls, ceiling tiles). Should testing be required and results determine that hazardous substances are present in onsite building materials, the Phase II/site characterization specialist must determine appropriate prevention/remediation measures that

Before Demolition Permit is Issued | Hazardous Materials Inspection | Environmental Consultant with Phase II/Site Characterization Experience; Director of Public Works | Initials | Date | Remarks |
|----------------------------------|--------------------------------|------------------------------------------------------------------------------------------------|---------|------|---------|

City Council Resolution No. ____ 10-3 Mitigation Monitoring and Reporting Program
### THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT

#### MITIGATION MONITORING AND REPORTING PROGRAM

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<th>Verification of Compliance</th>
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- are required and/or the methods for proper disposal of hazardous waste at an approved landfill facility, if required.

**NOISE**

<table>
<thead>
<tr>
<th>N-1</th>
<th>Before the City issues the grading permit, the Project Applicant must demonstrate, to the satisfaction of the Director of Public Works that the Project complies with the following:</th>
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<tr>
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<td>- All construction equipment must be equipped with mufflers and sound control devices (e.g., intake silencers and noise shrouds) no less effective than those provided on the original equipment and no equipment shall have an unmuffled exhaust.</td>
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<td>- The contractor must maintain and tune-up all construction equipment to minimize noise emissions.</td>
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<td>- Stationary equipment must be placed so as to maintain the greatest possible distance to the sensitive receptors.</td>
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<td>- All equipment servicing must be performed so as to maintain the greatest possible distance to the sensitive receptors.</td>
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<td></td>
<td>- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction are required to be hydraulically or electronically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler must be used; this muffler can lower noise levels from the exhaust by up to approximately 10 dBA. External jackets on the</td>
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### Mitigation Monitoring and Reporting Program

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<tr>
<td>- tools themselves must be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures must be used, such as drills rather than impact equipment, whenever feasible.</td>
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<td>- A qualified &quot;Noise Disturbance Coordinator&quot; will be retained amongst the construction crew to be responsible for responding to any local complaints about construction noise. When a complaint is received, the Disturbance Coordinator shall notify the City within 24 hours of the complaint and determine the cause of the noise complaint (e.g., starting too early, malfunctioning muffler, etc.) and implement reasonable measures to resolve the complaint, as deemed acceptable by the Director of Planning and Building Safety.</td>
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<td>- Select demolition methods to minimize vibration, where possible (e.g., sawing masonry into sections rather than demolishing it by pavement breakers).</td>
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Resolution No. ____,
conditionally approving EA-1135, et. al.
RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL CONDITIONALLY APPROVING ENVIRONMENTAL ASSESSMENT NO. EA-1135, GENERAL PLAN AMENDMENT NO. GPA 16-01, SITE PLAN NO. 16-01, LOT LINE ADJUSTMENT NO. SUB 16-03, AND CONDITIONAL USE PERMIT NO. CUP 16-05 FOR THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT, LOCATED AT 400 SOUTH SEPULVEDA BOULEVARD.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares that:

A. On June 20, 2016, CenterCal Properties, LLC, filed an application for Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05 for approval of a specific plan and related discretionary entitlements to facilitate a redevelopment project at the Lakes golf course consisting of replacing an existing driving range and hitting bays, with a three-story golf-themed commercial recreation and entertainment facility, including hitting bays, a restaurant/bar, and other supporting accessory uses to be operated under the “Topgolf” brand. Additional project improvements include demolition of the existing clubhouse and reconstruction of a smaller clubhouse, modification of the fairways and layouts of six holes at the existing 9-hole executive golf course, new golf course lighting, and modification and expansion of the existing parking to accommodate additional parking to serve the facility;

B. After submittal of additional information, Staff deemed the project applications complete on August 31, 2016;

C. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000 et. seq. ("CEQA"), the State’s CEQA Guidelines, California Code of Regulation, Title 14, Section 15000 et. seq., the City's Local CEQA Guidelines (City Council Resolution No. 2805, adopted March 16, 1993), and Government Code Section 65962.5(f) (Hazardous Waste and Substances Statement), the City of El Segundo prepared an Environmental Impact Report (State Clearinghouse Number 2016091003) (the “EIR”);

D. The City prepared an Initial Environmental Study (the “Initial Study”) for the Project pursuant to Section 15063 of the CEQA Guidelines, and on September 1, 2016, the Initial Study (IS) and Notice of Preparation (NOP)
were released to the public and public agencies for a comment period of 33 days (through October 3, 2016). On September 1, 2016, a Public Notice was mailed to property owners within a 300-foot radius from the subject property, the Notice was published in the *El Segundo Herald*, and the Notice was posted on the City’s website. Lastly, a copy of the Initial Study was made available at the public counter at City Hall and the local library, and was made available on the City’s website for the public to download and review;

E. On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to provide verbal comments on the IS/NOP;

F. After the NOP comment period ended, the Draft EIR was prepared taking the comments into account. After completing the Draft EIR, the document was made available to the public on January 26, 2017 for a 47-day public comment period that concluded on March 13, 2017;

G. On February 2, 2017, City Staff hosted a noticed public commenting session to provide the public with an opportunity to submit verbal comments, in addition to the typical written comments, on the Draft EIR. Advertisement of the public commenting session was provided by a Notice published in the *El Segundo Herald*, a Notice mailed to all property owners within a 300-foot radius, a Notice was posted at The Lakes clubhouse facility, and a Notice was posted on the City’s website;

H. On May 25, 2017, the Final EIR was completed and Notice was provided via mail to all property owners within a 300-foot radius of the subject site, and on May 25, 2017 a Notice was published in the *El Segundo Herald* announcing that a public hearing was scheduled with the Planning Commission on June 8, 2017 to review the Final EIR and the entitlement applications for the proposed project;

I. On June 8, 2017, the Planning Commission conducted a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City staff and public testimony, and the applicant;

J. On June 8, 2017, at the request of the Applicant, the Planning Commission continued the public hearing to June 22, 2017;

K. On June 22, 2017, the Planning Commission continued the public hearing to July 13, 2017;

L. On July 13, 2017, the Planning Commission of the City of El Segundo adopted Resolution No. 2820, recommending that the City Council certify
the EIR, make certain environmental findings of fact, and adopt a Mitigation Monitoring and Reporting Program for The Lakes Specific Plan and Topgolf Project;

M. The City Council of the City of El Segundo held a duly noticed public hearing on September 5, 2017, to review and consider the staff report prepared for the project, receive public testimony, and review all correspondence received on the project; and,

N. This Resolution, and its findings, are made, in part, based upon the evidence presented to the Planning Commission at its June 8, and July 13, 2017 public hearings and upon the evidence presented to the City Council at its September 5, 2017 public hearing including, without limitation, the staff reports, Initial Study, Draft EIR and Final EIR submitted by the Planning and Building Safety Department.

SECTION 2: Findings of Fact and Conclusions. The City Council finds as follows:

A. The project site consists of three areas totaling approximately 31-acres, comprised of the 26.54-acre Lakes at El Segundo golf course, a 3.58-acre portion of the abutting SCE property to the east of the golf course, and a 0.67-acre portion of the abutting West Basin Municipal Water District (WBMWD) property to the south of the golf course, generally located at 400 South Sepulveda Boulevard, in the southeast quadrant of the City of El Segundo;

B. The proposed project includes The Lakes Specific Plan and a new Topgolf facility. The associated applications consists of:

(i) Environmental Assessment No. EA-1135, to certify and approve a Final Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);

(ii) General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from “Parks”, to “The Lakes Specific Plan”;

(iii) Zone Change No. ZC 16-01, to change the underlying Zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) measuring 16.06-acres and CPR/OS (Commercial Public Recreation/Open Space) measuring 10.49-acres;

(iv) Specific Plan No. SP 16-02, to create a new specific plan for the Lakes at El Segundo golf course that specifies the uses permitted within the Specific Plan area, and establishes development standards tailored to the unique recreation and entertainment uses for the specific plan area;

(v) Zone Text Amendment No. ZTA 16-04, to add the new TLSP (The Lakes Specific Plan) Zoning designation to the Zoning Code;
(vi) Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course. Specifically, the development includes:

a) Replacing the existing driving range with a three-story approximately 67,170 gross square-foot Topgolf commercial recreation and entertainment facility. The new facility would measure approximately 55-feet in overall height, and will include a 32,309 square-foot hitting bay and seating/waiting area, which consists of private suites. From these hitting bays, players would hit balls into an open area that would be surrounded by netting and support poles (up to 175 feet in height) that are designed to block/contain errant balls. The facility would also include 10,024 square feet of restaurant, bar, and kitchen space; 3,144 square feet of meeting and event space; 2,439 square feet of office space; 1,895 square feet of lounge space; 1,365 square feet of lobby space; and approximately 15,994 square feet of storage, circulation, and miscellaneous space. An approximately 3,000 square foot outdoor terrace on the third floor of the building is also proposed, and would be used for entertainment involving live music from a band or disc jockey (DJ). All DJ’s and bands would be required to connect to the facility’s in-house sound system and speakers, allowing the ability to control the volume and other sound levels. All overhead speakers would be oriented inward and down to the facility’s floors. Lastly, the driving range grass would be replaced with a high density fiber turf;

b) Modifying and expanding the existing parking lot to accommodate a total of 523 spaces, whereby 420 spaces will be located in the CPR/OS Subarea of the Specific Plan and 103 spaces will be located in the abutting WBMWD property through a lease agreement between the City of El Segundo and WBMWD. The parking will serve both the Topgolf facility and the existing golf course facility;

c) Modifying the fairways and layouts of six holes at the existing golf course;

d) Installing lighting throughout the nine-hole golf course to accommodate nighttime play. The lighting would primarily be concentrated at the tee boxes and greens; and,

e) Demolishing the existing clubhouse, and constructing a new one-story clubhouse measuring 2,500 square feet, with a 1,010 square foot outdoor patio overlooking a new putting and chip-shot practice area.

(vii) Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan; and,
(viii) Conditional Use Permit No. CUP 16-05, to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities.

C. Development standards have been developed for the Specific Plan and all uses within the Plan area must be compliant. The allowed uses identified in the development standards include the proposed development and uses;

D. The proposed General Plan re-designation and rezoning of the Project Site would change the General Plan land use designation from "Parks", to “The Lakes Specific Plan” (TLSP) land use designation and rezone the area from Open Space (O-S) to The Lakes Specific Plan (TLSP) Zone;

E. The TLSP contains two Subareas classified PUB-REC/OS (Public Recreation/Open Space) on the northern portion of the specific plan area measuring 16.06-acres, and CPR/OS (Commercial Public Recreation/Open Space) on the southern portion of the specific plan area measuring 10.49-acres;

F. The Applicant is required to make all necessary and applicable impact fee payments prior to building permit issuance, including the one-time fire services mitigation fee, the one-time police services mitigation fee, one-time park services mitigation fee, and one-time traffic mitigation.

SECTION 3: Environmental Assessment. In City Council Resolution No. _____, adopted concurrently herewith, the City Council certified the EIR, adopted certain Environmental Findings of Fact, and adopted the Mitigation Monitoring and Reporting Program for The Lakes Specific Plan and Topgolf Project.

SECTION 4: General Plan Amendment Findings. The City Council makes the following findings:

A. The proposed amendment is in the public interest, and there will be a community benefit resulting from the amendment. The Lakes Specific Plan provides flexibility for The Lakes golf course to expand its existing operations or develop new facilities that are compatible with the existing facilities and uses. The Specific Plan includes a development concept that accounts for and allows for the Topgolf facility; includes new land use and zoning categories and identifies the properties that are effected; includes design guidelines to help promote high-quality development; and development standards to address uses, lot area, height, setbacks, floor area, parking, landscaping and signage. All development in the project area is subject to the development standards and requirements of the specific plan.
B. The proposed amendment is consistent with the following goals, policies and objectives of the Land Use Element of the City’s General Plan:

- **Goal LU4:** Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.

- **Objective LU4-1:** Promote the development of high quality retail facilities in proximity to major employment centers.

- **Policy LU4-1.1:** Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

- **Policy LU4-1.2:** All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.

- **Policy LU4-1.4:** New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.

- **Objective LU4-4:** Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

- **Goal LU6:** Maintain and upgrade the existing excellent parks, recreation, and open space facilities within the City of El Segundo.

- **Objective LU6-1:** The development of parks, open space, and recreational facilities should be consistent with the guidelines, policies, and programs of the Open Space and Recreation Element.

- **Policy LU6-1.1:** Continue to provide uniform and high quality park and recreational opportunities to all areas of the City, for use by residents and employees.

- **Policy LU6-1.3:** Utilization of utility easements (flood control, power line rights-of-way) for recreational, open space, and beautification purposes should continue and additional possibilities should be explored.

- **Goal LU7:** Provide the highest quality public facilities, services, and public infrastructure possible to the community.

- **Objective LU7-1:** Provide the highest and most efficient level of public services and public infrastructure financially possible.

- **Policy LU7-1.2:** No new development shall be allowed unless adequate public facilities are in place or provided for.

- **Policy LU7-2.3:** All new development shall place utilities underground.

- **Policy LU7-2.4:** All new public buildings shall have adequate off-street parking spaces, or the City shall provide adequate public transportation, in accordance with the provisions and standards of all elements of the General Plan, to accommodate employees and the public.

- **Policy LU7-2.5:** All public facilities and utilities should be designed to enhance the appearance of the surrounding areas in which they are located.
C. The proposed amendment is consistent with the following goals, policies and objectives of the Economic Development Element of the City’s General Plan:

- **Goal ED1**: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.
- **Objective ED1-1**: To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo’s economic base.
- **Policy ED1-1.2**: Focus short-run economic development efforts on business retention and focus longer-run efforts on the diversification of El Segundo’s economic base in order to meet quality of life goals.
- **Objective ED1-2**: Center diversification efforts on targeted industries that meet the City’s criteria for job creation, growth potential, fiscal impact, and fit with local resources.
- **Policy ED1-2.1**: Seek to expand El Segundo’s retail and commercial base so that the diverse needs of the City’s business and residential communities are met.
- **Policy ED1-2.2**: Maintain and promote land uses that improve the City’s tax base, balancing economic development and quality of life goals.
- **Policy ED1-2.3**: Seek to balance the City’s economic development program with the City’s resources and infrastructure capacity.

D. The proposed amendment is consistent with the following goals, policies and objectives of the Circulation Element of the City’s General Plan:

- **Goal C1**: Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.
- **Policy C1-1.8**: Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities.
- **Policy C1-1.9**: Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.
- **Policy C1-3.2**: Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.
- **Policy C2-2.2**: Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes hanging facilities at or close to the bicyclist’s work destination.
- **Policy C2-5.1**: Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.
• **Policy C3-1.8:** Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.
• **Policy C3-2.1:** Ensure the provision of sufficient on-site parking in all new development.

E. The proposed amendment is consistent with the following goals, policies and objectives of the Open Space and Recreation Element of the City’s General Plan:
• **Goal OS1:** Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.
• **Objective OS1-1:** Preserve existing and acquire future public park and recreation facilities which are adequate for serving the existing and future resident population.
• **Objective OS-1-2:** Preserve existing and support acquisition of additional private park and recreation facilities to foster recognition of their value as community recreation and open space resources.
• **Objective OS1-3:** Provide recreational programs and facilities for all segments of the community.
• **Policy OS1-3.4:** Encourage commercial recreational uses to locate in El Segundo.
• **Objective OS1-4:** Develop utility transmission corridors for active or passive open space and recreational use.

F. The proposed amendment is consistent with the following goals, policies and objectives of the Conservation Element of the City’s General Plan:
• **Policy CN2-5:** Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.
• **Policy CN2-7:** Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.
• **Policy CN2-8:** Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.
• **Policy CN2-11:** Encourage, whenever appropriate and feasible, development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

G. The proposed amendment is consistent with the following goals, policies and objectives of the Noise Element of the City’s General Plan:
- **Goal N1**: Encourage a high quality environment within all parts of the City of El Segundo where the public's health, safety, and welfare are not adversely affected by excessive noise.

- **Objective N1-1**: It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.

- **Objective N1-2**: It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo's Noise Ordinance standards.

- **Policy N1-2.1**: Require all new projects to meet the City's Noise Ordinance Standards as a condition of building permit approval.

- **Program N1-2.1A**: Address noise impacts in all environmental documents for discretionary approval projects, to insure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.

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H. The proposed amendment is consistent with the following goals, policies and objectives of the Public Safety Element of the City's General Plan:

- **Objective PS1-1**: It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.

- **Program PS1-1.1A**: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.

- **Policy PS1-1.2**: Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as conditions for project approval.

- **Program PS1-1.2A**: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to landsliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.

- **Goal PS2**: Minimize injury and loss of life, property damage, and social cultural and economic impacts caused by earthquake hazards.

- **Policy PS2-1.2**: The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.

- **Objective PS6-1**: It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from wildland and urban fires.
• **Policy PS6-1.1:** Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

• **Program PS6-1.2C:** The City shall continue to require that all property be maintained in compliance with the fire code.

• **Goal PS7:** Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting from earthquakes, hazardous material incidents, and other natural and man-made disasters.

I. The proposed amendment is compatible with and will not frustrate the goals and policies of the General Plan.

J. The proposed amendment will not conflict with the provisions of the Municipal Code or the applicable specific plan, and complies with or exceeds the minimum standards contained therein.

K. The proposed amendment will not adversely affect surrounding properties since the proposal will continue to allow for the uses the currently exist on site, and will allow for additional uses that enhance the area by offering additional recreational uses.

**SECTION 5: General Plan Amendment.** The City Council makes the following amendments to the El Segundo General Plan:

A. An amendment to the text in the “Land Use Designations – Open Space Designations” subsection of the Land Use Element to add The Lakes Specific Plan designation, including a description of the allowed uses and the maximum land use densities allowed. The corresponding changes are set forth in attached Exhibit “A”.

B. An amendment to the text in the “Proposed Land Use – Southeast Quadrant” subsection of the Land Use Element, to reflect the changes resulting from The Lakes Specific Plan. The corresponding changes are set forth in attached Exhibit “B”.

C. An amendment to the “1992 General Plan Summary of Existing Trends Buildout” table contained in the Land Use Element, to reflect the changes resulting to the land use categories by The Lakes Specific Plan. The corresponding changes are set forth in attached Exhibit “C”.

D. An amendment to the General Plan Land Use Map to reflect the change in the land use designation from Parks to The Lakes Specific Plan (TLSP). The corresponding change to the General Plan Land Use Map is set forth in attached Exhibit “D”.

-10-
SECTION 6: Lot Line Adjustment. The proposed lot line adjustment is indicated on Exhibit E. Based on the facts set forth in this Resolution and the evidence in the administrative record as a whole, the City Council finds that the proposed Lot Line Adjustment is consistent with the evaluation criteria set forth in ESMC § 14-4-4 in that the lots/parcels will conform to the zoning criteria contained in The Lakes Specific Plan and the TLSP Zone, as both parcels will exceed the 10-acre minimum lot area. The proposed lot line adjustment also conforms to all applicable building codes.

SECTION 7: Site Plan Review. The proposed site plan layout includes a new golf-themed commercial recreation and entertainment facility with a restaurant/bar, a redeveloped clubhouse, modified holes in the golf course, and golf course lighting, as detailed above in Section 2.B(vi) of this Resolution. The City Council has considered all of the Site Plan Review Criteria set forth in the Lakes Specific Plan and, based on the facts recited herein and on the evidence in the administrative record as a whole, the Council finds the Site Plan is consistent with and complies with the development standards set forth in The Lakes Specific Plan.

SECTION 8: Conditional Use Permit. Pursuant to Section 15-23-6 of the El Segundo Municipal Code, and based on the factual findings set forth hereinabove and on the whole of the administrative record, the City Council finds as follows:

A. The proposed location of the conditional use is in accord with the objectives of this Title and the purposes of the zone in which the site is located, and the proposed use is consistent and compatible with the purpose of the zone in which the site is located.

Approval of the associated Zone Text Amendment, Zone Change, General Plan Amendment and The Lakes Specific Plan have created a zoning designation and development standards specific to the subject property. The zone, via The Lakes Specific Plan, allows onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities subject to the granting of a conditional use permit pursuant to ESMC Section 15-5F-5(l). Onsite beer, wine and alcohol is appropriate to this location as it will be part of the restaurants and entertainment facility, and distributed throughout the site. The proposal is consistent with the purpose of The Lakes Specific Plan, which is to further the goals and policies of the City’s General Plan, which are contained in Section 4 of this Resolution.

B. That the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; there is compatibility of the particular use on the particular site in relationship to other existing and potential uses within the general area in which the use is proposed to be located; and potential impacts that could be generated by the proposed use, such as noise,
smoke, dust, fumes, vibration, odors, traffic and hazards have been recognized and compensated for

The proposed location of the conditional use is in an urbanized area of the City that is developed with a golf course, driving range, and clubhouse that currently offers alcoholic beverages at the restaurant and banquet facilities. The proposed onsite beer, wine and alcohol will be distributed throughout the Specific Plan area, in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities, which will be located primarily indoors and sufficiently set back from Sepulveda Boulevard. No sensitive land uses are adjacent to or near the Specific Plan area that could be impacted by the operation of the onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities. Further, outdoor dining activities are not anticipated to be detrimental to adjacent businesses and no residential uses are located in the vicinity. The use is also subject to certain conditions in the attached Exhibit A. Lastly, the El Segundo Police Department has not identified the subject property as a high crime area. Accordingly, given the commercial and industrial/manufacturing nature of the surrounding uses and immediate area, and the absence of any residential uses located in the vicinity, the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

C. That the proposed conditional use will comply with each of the applicable provisions of this Chapter.

Approval of the associated Zone Text Amendment, Zone Change, General Plan Amendment and The Lakes Specific Plan created development standards specific to the subject property, with specified uses, lot area, lot coverage, height, and other restrictions which allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities. Further, the proposed conditional use complies with the applicable provisions of ESMC Chapters 15-23 and 15-27 since proper notice was provided and proper hearing was conducted on June 8, 2017. In addition, proper hearing decision and records will be complied with, and the required findings considered and adopted by the City Council at a future noticed public hearing. Lastly, appropriate conditions have been included to minimize impacts.

D. ABC has issued or will issue a license to sell alcohol to the applicant.

The City currently maintains a license from ABC for on-site sale and consumption of beer and wine (Type 41). The future operator of the golf-
themed commercial recreation and entertainment facility will apply for a separate license with ABC to sell alcohol.

SECTION 9: For the foregoing reasons and based on the information and findings included in the Staff Report, Resolutions, Minutes and the whole of the administrative record, the City Council of the City of El Segundo hereby:

A. Approves Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05, subject to the conditions of approval attached hereto as Exhibit "F" and incorporated herein by this reference.

SECTION 10: Reliance on Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 11: Limitations. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the city's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 12: Summaries of Information. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 13: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 14: A copy of this Resolution must be mailed to CenterCal Properties, LLC, and to any other person requesting a copy.

SECTION 15: Effective Date: Environmental Assessment No. EA-1135 will become effective immediately upon adoption of this Resolution. General Plan Amendment No 16-01, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03 and Conditional Use Permit No. CUP-16-05 will become effective on the Effective Date of Ordinance No. ____.
PASSED, APPROVED AND ADOPTED this ___ day of ___________, 2017.

__________________________
Suzanne Fuentes, Mayor

ATTEST:
STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ___ was duly introduced by said City Council at a regular meeting held on the ___ day of ___________, 2017, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of ___________, 2017, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

__________________________
Mark D. Hensley, City Attorney
Open Space Designations

Add the following text to page 3-10 as an additional paragraph at the end of the "Open Space Designations" subsection of the Land Use Element:

* * *

"The Lakes Specific Plan: The specific plan area contains two subareas that permit a mix of recreational and recreation-related entertainment uses, and other uses as specified in The Lakes Specific Plan. The maximum floor area in the PUB-REC/OS subarea is based on the maximum allowable height limit of 26-feet and the maximum allowable lot coverage of 40-percent. The maximum overall FAR in the CPR/OS subarea is 0.147, which is based on the approximately 10.49-acre size of the subarea."

* * *
Resolution No. ___
Exhibit B

El Segundo General Plan Land Use Element, Page 3-14

Proposed Land Use Plan

Revise the following paragraph on page 3-14 as illustrated below

"Southeast Quadrant

*   *   *

The remaining land in the southeast quadrant is designated as public facilities for the Green Line station along El Segundo Boulevard and the proposed water reclamation facility north of Hughes Way. Parks The Lakes Specific Plan for the Golf Course and Driving Range, the proposed golf-themed commercial recreation and entertainment facility along Sepulveda Boulevard, and Open Space along the Southern California Edison transmission line rights-of-way. A 5.4 acre portion of the Southern California Edison right-of-way is also designated as the Aviation Specific Plan area. The privately-owned park for Hughes employees is also designated as open space, to ensure it will continue to be used as a recreation facility.

*   *   *
### 1992 General Plan

#### Summary of Existing Trends Buildout

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1. Existing construction and recently constructed, renovated commercial centers and legal non-conforming residential uses at densities that are currently higher than allowed by the land use designations in this plan will not realistically be converted to mixed commercial/residential uses and these buildings are expected to remain for the life of the Plan.

2. The heavy industrial shown on this plan includes the Chevron Refinery and former Southern California Edison Generation Station. These facilities have processing equipment and tanks rather than buildings and are expected to remain for the life of the Plan. Therefore, no estimated building square footage is shown.
RESOLUTION NO. ____

Exhibit F

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code ("ESMC"), CenterCal Properties, LLC, and its successor-in-interest agrees to comply with the following provisions as conditions for the City of El Segundo’s approval of Environmental Assessment No. EA-1135 (Environmental Impact Report and Mitigation Monitoring Reporting Program); General Plan Amendment No. 16-01; Zone Change No. ZC 16-01; Specific Plan No. SP 16-02; Zone Text Amendment No. ZTA 16-04; Site Plan Review No. 16-01; Lot Line Adjustment No. SUB 16-03; and Conditional Use Permit No. CUP 16-05 ("Project Conditions").

General

1. The approval is for The Lakes Specific Plan and a new Topgolf facility, consisting of the following:

   (i) Environmental Assessment No. EA-1135, an Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);

   (ii) General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from “Parks”, to “The Lakes Specific Plan” as specified in Ordinance No. ____ and incorporated by reference;

   (iii) Zone Change No. ZC 16-01, to change the underlying Zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) measuring 16.06-acres and CPR/OS (Commercial Public Recreation/Open Space) measuring 10.49-acres as specified in Ordinance No. ____ and incorporated by reference;

   (iv) Specific Plan No. SP 16-02, to create a new specific plan for the Lakes at El Segundo golf course that specifies the uses permitted within the Specific Plan area, and establishes development standards tailored to the unique recreation and entertainment uses for the specific plan area as specified in Ordinance No. ____ and incorporated by reference;

   (v) Zone Text Amendment No. ZTA 16-04, to add the new TLSP (The Lakes Specific Plan) Zoning designation to the Zoning Code as specified in Ordinance No. ____ and incorporated by reference;

   (vi) Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course. Specifically, the development includes:

    a) Replacing the existing driving range with a three-story approximately 67,170 gross square-foot Topgolf commercial recreation and
entertainment facility. The new facility measures approximately 55-feet in overall height, and includes a 32,309 square-foot hitting bay and seating/waiting area, which consists of private suites. From these hitting bays, players hit balls into an open area that is surrounded by netting and support poles (up to 175 feet in height) that are designed to block/contain errant balls. The facility includes 10,024 square feet of restaurant, bar, and kitchen space; 3,144 square feet of meeting and event space; 2,439 square feet of office space; 1,895 square feet of lounge space; 1,365 square feet of lobby space; and approximately 15,994 square feet of storage, circulation, and miscellaneous space. An approximately 3,000 square foot outdoor terrace on the third floor of the building is also approved and will be used for entertainment involving live music from a band or disc jockey (DJ). Lastly, the existing driving range grass will be replaced with a high density fiber turf;

b) Modifying and expanding the existing parking lot to accommodate a total of 523 spaces, whereby 420 spaces will be located in the CPR/OS Subarea of the Specific Plan and 103 spaces will be located in the abutting WBMWD property through a license agreement between the City of El Segundo and WBMWD. The parking will serve both the Topgolf facility and the golf course facility;

c) Modifying the fairways and layouts of six holes at the existing golf course;

d) Installing lighting throughout the nine-hole golf course to accommodate nighttime play. The lighting would primarily be concentrated at the tee boxes and greens; and,

e) Demolishing the existing clubhouse, and constructing a new one-story clubhouse measuring 2,500 square feet, with a 1,010 square foot outdoor patio overlooking a new putting and chip-shot practice area.

(vii) Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan; and,

(viii) Conditional Use Permit No. CUP 16-05, to allow Topgolf as a private/commercial recreational facility, and to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities.

2. The development of the project shall be in substantial compliance with the plans, and colors and material palette as contained in the plans presented to the Planning Commission on June 8 and July 13, 2017, and approved by the City Council on ________, 2017; with The Lakes Specific Plan and zoning district; the mitigation measures, conditions and standards contained in Planning Commission Resolution No. 2820 and Planning Commission Resolution No. 2821 (unless superseded by the conditions and standards contained in this Resolution); and, the El Segundo Municipal Code.
3. The development and operation of the project shall comply with the Mitigation Monitoring and Reporting Program (MMRP) attached and incorporated by reference as adopted by the City Council on __________. The mitigation measures are repeated herein under the appropriate subject heading, sometimes with clarifying language that may differ from the MMRP. All costs associated with implementation of the Mitigation Monitoring Program shall be the responsibility of the Applicant/Developer, and/or any successors in interest.

4. The Planning and Building Safety Director is authorized to approve minor modifications to the approved plans or any of the conditions if such modifications achieve substantially the same results as would strict compliance with said plans and conditions. Otherwise, all other modifications shall be subject to review and approval by the Planning Commission.

5. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.

6. In the event that a Planning, Building, Public Works, Fire Department or Police Department requirement are in conflict, the stricter standard shall apply.

7. A positive balance shall be maintained in all project Reimbursement Accounts at all times. If the balance of the Reimbursement Account(s) associated with the project becomes negative at any time, all work on the project shall be suspended (including plan checks, issuance of permits and project inspections) until such time as the sufficient funds are deposited to return the account(s) to a positive balance.

8. Centercal and TopGolf shall adhere to all conditions set forth in the Ground Lease Agreement, specifically "Section 11. Operation, Repairs and Maintenance" and "Exhibit D" of the Agreement.

9. Permitted hours and days for construction activity are 6:00 AM to 8:00 PM, Monday through Sunday. Construction hours may be extended at the discretion of the Planning and Building Safety Director

10. The applicant shall submit a photometric lighting plan that illustrates that there is no light spillover beyond the project property line for review and approval by the Planning and Building Safety Director. Direct illumination of an adjacent property is not allowed. Exterior lighting for the project shall be designed to be confined to within the project site. Light shields shall be used to block light and reduce spill over light and glare as necessary. Prior to the final inspection and issuance of a certificate of occupancy, the applicant shall schedule an evening inspection with the Planning Division to verify compliance with this requirement and to ensure that the lighting does not result in a significant impact.
11. Maximum building height of the Topgolf facility shall be limited to 55-feet in overall height, as measured from lowest finish grade adjacent to the building, to the highest ridgeline or parapet wall. Any roof mounted light fixtures are allowed to project not more than 3-feet above the highest ridgeline or parapet wall, for a maximum height of 58-feet to the top of the light fixture.

12. Maximum height of the netting support poles associated with the Topgolf facility shall be limited to 175-feet in height, as measured from adjacent grade to top of pole.

13. An overall Master Sign Program for the Topgolf facility shall be submitted and approved by the Director of Planning and Building Safety prior to installation.

Impact Fee Conditions

14. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to the issuance of a building and/or grading permit for the Topgolf facility, the applicant must pay a one-time library services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

15. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to the issuance of a building and/or grading permit for the Topgolf facility, the applicant must pay a one-time fire services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

16. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to the issuance of a building and/or grading permit for the Topgolf facility, the applicant must pay a one-time police services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

17. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to the issuance of a building and/or grading permit for the Topgolf facility, the applicant must pay a one-time park services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

18. Before building permits are issued for the Topgolf facility, the applicant must pay the required sewer connection fees (as specified in ESMC Title 12-3).

19. Pursuant to ESMC §§ 15-27 A-1, et seq., and before the City issues a certificate of occupancy for the Topgolf facility, the applicant must pay a one-time traffic mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

Construction Conditions

Resolution No. _____
Exhibit F, Conditions of Approval
Page 4
20. The project site shall be off with temporary chain link fencing with a green fabric backing. The fencing shall remain in place and shall be maintained in good appearance until the project has been completed, or until such time as determined by the Building Official. Another color of fabric may be utilized with prior approval from the Planning and Building Safety Department.

21. A weatherproof notice/sign to report dust, noise, or other construction-related impacts shall be posted and prominently displayed on the construction fencing clearly visible to the public from along Sepulveda Boulevard. The notice/sign shall set forth the name of the person(s) responsible for the construction site and a phone number(s) to be called in the event that a construction-related impact occurs.

22. Archaeological and Native American monitoring shall be conducted for all ground disturbing activities within the project site. Monitoring shall be performed under the direction of a qualified archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983). If cultural resources are encountered during ground-disturbing activities, work in the immediate area must halt and the find must be evaluated by the qualified archaeologist. Depending upon the nature of the find, if the discovery proves to be potentially significant under CEQA, as determined by the qualified archaeologist, additional work such as on site monitoring by a qualified Native American Tribal representative, data recovery excavation, avoidance of the area of the find, documentation, testing, data recovery, reburial, archival review and/or transfer to the appropriate museum or educational institution, or other appropriate actions may be warranted at the discretion of the qualified archaeologist. The archaeologist shall complete a report of excavations and findings, and submit the report to the Director of Planning and Building Safety. After the find is appropriately mitigated, work in the area may resume.

23. If human remains are found during ground disturbing activities, State of California Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the county coroner has made a determination of origin and disposition pursuant to Public Resources Code Section 5097.98. In the event of an unanticipated discovery of human remains, the County Coroner shall be notified immediately. If the human remains are determined to be prehistoric, the coroner shall notify the Native American Heritage Commission (NAHC), which shall determine and notify a most likely descendant (MLD). The MLD shall complete the inspection of the site within 48 hours of notification and may recommend scientific removal and nondestructive analysis of human remains and items associated with Native American burials.

24. All utility lines to serve the development shall be placed underground.
25. The developer shall be responsible for the relocation of any existing utility necessary as a result of the development.

26. Erosion control devices shall be installed at all perimeter openings and slopes. No sediment shall leave the job site. All newly graded surfaces not immediately involved in construction shall have some method of erosion protection, i.e., mulching, fiber fabric, planting, or tackifier.

27. Water spraying or other approved methods shall be used during grading operations to control fugitive dust. Recycled water shall be used for grading operations whenever available.

28. Public sidewalks must remain open at all times.

29. Any transporting of heavy construction equipment and/or materials, which require the use of oversized transport vehicles on State highways, will require a Caltrans transportation permit. Any hauling of materials should not occur during A.M and P.M peak periods of travel on State facilities during demolition and construction of the proposed project. All vehicle loads should be covered so that materials do not blow over or onto the Caltrans' Right-of-Way.

30. All haul trucks hauling soil, sand, and other loose materials must either be covered or maintain two feet of freeboard.

31. Construction vehicles cannot use any route except the City's designated Truck Routes.

32. During construction and operations, all waste must be disposed in accordance with all applicable laws and regulations. Toxic wastes must be discarded at a licensed, regulated disposal site by a licensed waste hauler.

33. All leaks, drips and spills occurring during construction must be cleaned up promptly and in compliance with all applicable laws and regulations to prevent contaminated soil on paved surfaces that can be washed away into the storm drains.

34. If materials spills occur, they must be cleaned up in a way that will not affect the storm drain system.

35. The project must comply with ESMC Chapter 5-4, which establishes storm water and urban pollution controls.

36. Before anticipated rainfall, construction dumpsters must be covered with tarps or plastic sheeting.
37. Inspections of the project site before and after storm events must be conducted to determine whether Best Management Practices have been implemented to reduce pollutant loadings identified in the Storm Water Prevention Plan.

38. The owner or contractor must conduct daily street sweeping and truck wheel cleaning to prevent dirt in the storm drain system. Truck wheel cleaning shall be conducted onsite to minimize dirt in the public right-of-way and prevent dirt in the storm drain system.

39. Storm drain system must be safeguarded at all times during construction.

40. All diesel equipment must be operated with closed engine doors and must be equipped with factory-recommended mufflers.

41. Electrical power must be used to run air compressors and similar power tools.

**Operational Conditions**

42. Hours of operation for the Topgolf facility shall be limited to the hours of 6:00am to 2:00am, Monday through Sunday.

43. All DJ’s and bands shall connect to the facility’s in-house sound system and speakers.

44. All overhead speakers in the outdoor terrace of the Topgolf facility shall be oriented inward and down to the facility’s floors.

45. A minimum total of 511 parking spaces shall be provided to serve players, visitors, and employees of both the proposed Topgolf facility and the existing golf course facility. A minimum of 420 spaces shall be provided within the boundaries of The Lakes Specific Plan, and a minimum of 91 spaces shall be provided on the abutting West Basin Municipal Water District property to the south through a License Agreement between the City and West Basin Municipal Water District. If, in the opinion of the Director of Planning and Building Safety or of the Director of Recreation and Park, parking impacts are observed, the applicant shall implement a valet parking program as necessary to accommodate parking demand in excess of the parking capacity property by the 511 parking spaces.

Said License Agreement must be in effect prior to issuance of a Certificate of Occupancy for the Topgolf facility. In the event a License Agreement is not entered into, or if the License Agreement is terminated, the Applicant shall implement a valet parking program in accordance with the Parking Management Plan prepared by Georgia Valet Services, on file with the Director of Planning and Building Safety to accommodate a minimum of 464 parked vehicles onsite. Additionally, if, in the opinion of the Director of Planning and Building Safety or of the Director of Planning and Building Safety or of the Director of
Recreation and Park, parking impacts are observed, the applicant shall implement a revised valet parking program as necessary to accommodate parking demand in excess of the 464 parked vehicles. Should the Parking Management Plan be implemented, a review of the circulation and parking operation will be conducted six months after issuance of a Certificate of Occupancy or Lease Agreement termination.

At the expense of the applicant, the City will monitor parking lot operations, including the valet parking operations, for 6-six months. Monitoring may include, but not be limited to, a two-hour in-person observation twice per month during the monitoring period at a time/day determined by the Director of Planning and Building Safety. Additionally, the Applicant is required to provide video camera footage of the parking management operation during the hours between 6:00am and 10:00am, and between 6:00pm and 2:00am on Fridays, Saturdays and Sundays for the six-month observation period. If parking and traffic circulation is considered deficient by the Planning and Building Safety Director, then the Director will develop additional operational conditions subject to review and approval by the Planning Commission at a noticed public hearing.

46. All utility equipment, including air conditioning equipment, at ground level shall be screened (from the parking area and adjacent surface streets) by landscaping and/or other screening methods as approved by the Planning and Building Safety Director.

47. All roof-mounted equipment shall be architecturally screened from ground level view (from the parking area and adjacent surface streets) by the parapet wall and/or other screening methods as approved by the Planning and Building Safety Director.

48. All building drainage gutters, down spouts, vents, and other roof protrusions shall be concealed from view within exterior walls. Ladders for roof access shall be mounted on the inside of the buildings.

49. All utility, mechanical, and electrical equipment, including fire risers, shall be enclosed within the buildings.

50. All buildings shall be designed to comply with all ESMC standards for the attenuation of interior noise.

Alcohol/Beer and Wine

51. The onsite sale and consumption of beer and wine, and/or alcohol (ABC Type 41 and ABC Type 47, respectively) are allowed in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities.
52. There must be no exterior advertising of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of specific alcoholic beverage products. Interior displays of alcoholic beverages which are clearly visible to the exterior constitute a violation of this condition.

53. All employees serving alcoholic beverages to patrons must enroll in and complete a certified training program approved by the State Department of Alcoholic Beverages Control for the responsible sales of alcohol. The training must be offered to new employees on not less than a quarterly basis.

54. Any and all employees hired to sell alcoholic beverages must provide evidence that they have either:
   i. Completed training in ABC- administered Leadership and Education in Alcohol and Drugs (LEAD) Program as demonstrated by an ABC-issued certificate; or,
   ii. Completed an accepted equivalent by ABC to ensure proper distribution of beer, wine and distilled spirits to adults of legal age. If any prospective employee designated to sell alcoholic beverages does not currently have such training, then;
   iii. The ABC-licensed proprietors must have confirmed with the Planning and Building Safety Department within 15 days of the Director's decision, or by final project approval, that a date certain is scheduled within the local ABC Office to complete the LEAD course.
   iv. Within 30 days of taking said course, the employees, or responsible employer must deliver each required certificate showing completion to the Police Department.

55. The Applicant/licensee shall not permit any loitering on the subject site.

56. The owner/applicant/licensee shall comply with and strictly adhere to all conditions of any permit issued by ABC to the applicant, and with any applicable regulations of ABC.

Trash/Trash Enclosures

57. Mandatory solid waste disposal services shall be provided by a City approved waste hauler to all parcels/lots or uses affected by approval of this project.

58. The Applicant shall provide receptacles (bins) for the collection of refuse and recyclable materials, as well as a hose bib for washing collection areas. Prior to the issuance of building permits, the applicant shall provide documentation from a City approved waste hauler stating that the number and size of bins provided for the collection of refuse and recyclable materials generated by the project is adequate.
59. Prior to the issuance of building permits, the Applicant shall provide documentation from a City approved waste hauler stating that the dimensions of the refuse storage enclosure are of adequate size to accommodate containers consistent with the current methods of collection, are designed with a walk-in access component, and located and designed to facilitate trash truck access and pickup.

60. Trash enclosure areas for the project shall have a non-combustible decorative cover and be enclosed by a six (6) foot high masonry wall with decorative caps that match the building’s architecture.

Building Safety Division


62. Construction projects must comply with Best Management Practices for construction and storm-water runoff requirements of the National Pollutant Discharge Elimination System MS4 Permit.

63. Construction activity resulting in a land disturbance of one acre or more, or less than one acre but part of a larger common plan of development or sale must obtain the (SWPPP) Construction Activities Storm Water General Permit.

64. A site specific soils and geotechnical report must be submitted to the Building and Safety Division for review and approval. The report shall comply with the minimum requirements of Chapter 18 of the CBC and address the possible sulfate content of the soils.

65. A stamped setback certification by a Licensed Surveyor will be required to certify the location of the new construction in relation to the setbacks prior to the first foundation inspection and stamped setback certification by a Licensed Surveyor will be required to certify the height of the structures prior to issuance of Certificate of Occupancy.

66. Plans submitted for plan check must be stamped by State-licensed architect or engineer and at a minimum shall include:
   • Complete structural calculations, details, notes and material specifications.
   • Complete Accessibility Plan with a statement from a CASp indicating that a plan review has been performed and that it complies with the requirements of Chapter 11A &11B of the CBC.
   • A stamped and signed survey by a Licensed Surveyor
   • A complete grading and drainage plan showing compliance with the Los Angeles Regional Water Quality Control Board (LARWQCB) Low Impact
Development (LID) requirement. The Los Angeles County LID Manual may be used as guidelines for preparing the LID report.

- Hydrology report along with hydraulic calculations.

67. Applicant to pay all Development fees, including school fee, prior to issuance of building permits.

**Fire Department Conditions**

68. The applicant must submit and have approved by the Fire Department a Fire/Life Safety Plan, identifying fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department access, fire hydrant locations and any existing or proposed fire sprinkler systems and fire alarm systems prior to issuance of the building permit.

69. The applicant must provide an automatic fire sprinkler system throughout the building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 13.

70. The applicant must provide a manual fire alarm system with voice evacuation throughout the building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 72.

71. The applicant must provide a fire apparatus access roadway. The fire apparatus access roadway must meet requirements in the adopted California Fire Code and El Segundo Fire Department Fire Prevention Regulation A-1-a.

72. The applicant must provide the following conditions for all fire features:
   a. A barrier must be provided around the fire feature to prevent accidental access into the fire feature.

   b. The distance between the fire feature and combustible material and furnishings must meet the fire feature’s listing and manufacturer’s requirements.

   c. If the fire feature’s protective barrier exceeds ambient temperatures, all exit paths and occupant seating must be a minimum 36 inches from the fire feature.

73. Any private fire hydrants must be installed and maintained in accordance with El Segundo Fire Department Regulation H-2-a “Fire Hydrant and Private Fire Main System Installation”.

**Public Works Department Conditions**
74. The applicant shall comply with the conditions and requirements contained in the Inter-Departmental Correspondence transmittal from the El Segundo Public Works Department dated May 31, 2017, a copy of which is attached hereto.

Police Department Conditions

75. The applicant shall comply with the requirements contained in Municipal Code Chapter 13.20, Security Code.

Miscellaneous

76. The applicant or its successors in interest shall indemnify, protect, defend (with legal counsel reasonably acceptable to the City), and hold harmless, the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs, and expenses of whatever nature, including reasonable attorney’s fees and disbursements (collectively “Claims”) arising out of or in any way relating to this project, any discretionary approvals granted by the City related to the development of the project, or the environmental review conducted under California Environmental Quality Act, Public Resources Code Section 21000 et seq., for the project. If the City Attorney is required to enforce any conditions of approval, all costs, including attorney’s fees, shall be paid for by the applicant.

77. The applicant shall comply with requirements of all Federal, State, County, and local agencies as are applicable to this project.

Mitigation Measures

The development shall comply with all of the following mitigation measures of the adopted Mitigation Monitoring and Reporting Program

Air Quality:

AQ-1: In accordance with SCAQMD Rule 403, excessive fugitive dust emissions must be controlled by regular watering or other dust prevention measures, and with Rule 402, which requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site as specified in the SCAQMD’s Rules and Regulations, the following shall be implemented during construction:

a. All active portions of the construction site must be watered every three hours during daily construction activities and when dust is observed migrating from the Project site to prevent excessive amounts of dust.

b. Appoint a construction relations officer to act as a community liaison concerning on-site construction activity including resolution of issues related to particulate matter generation.
c. Pave or apply water every three hours during daily construction activities or apply non-toxic soil stabilizers on all unpaved access roads, parking areas, and staging areas. More frequent watering must occur if dust is observed migrating from the site during site disturbance.

d. Any on-site stockpiles of debris, dirt, or other dusty material must be enclosed, covered, watered twice daily, or non-toxic soil binders shall be applied.

e. All grading and excavation operations must be suspended when wind speeds exceed 25 miles per hour.

f. Disturbed areas must be replaced with ground cover or paved immediately after construction is completed in the affected area.

g. Track-out devices such as gravel bed track-out aprons (3 inches deep, 25 feet long, 12 feet wide per lane and edged by rock berm or row of stakes) are required to reduce mud/dirt trackout from unpaved truck exit routes. Alternatively a wheel washer must be used at truck exit routes.

h. On-site vehicle speed must be limited to 15 miles per hour.

i. All material transported off-site must be either sufficiently watered or securely covered to prevent excessive amounts of dust before departing the job site.

j. Reroute construction trucks away from congested streets or sensitive receptor areas.

Hazards and Hazardous Materials:

HAZ-1: Before a Demolition Permit is issued, an environmental professional with Phase II/site characterization experience must conduct an inspection of existing onsite structures. The inspection must determine whether or not testing is required to confirm the presence or absence of hazardous substances in building materials (e.g., sinks, drains, piping, flooring, walls, ceiling tiles). Should testing be required and results determine that hazardous substances are present in onsite building materials, the Phase II/site characterization specialist must determine appropriate prevention/remediation measures that are required and/or the methods for proper disposal of hazardous waste at an approved landfill facility, if required.

Noise:

N-1: Before the City issues the grading permit, the Project Applicant must demonstrate, to the satisfaction of the Director of Public Works that the Project complies with the following:

- All construction equipment must be equipped with mufflers and sound control devices (e.g., intake silencers and noise shrouds) no less effective than those provided on the original equipment and no equipment shall have an un-muffled exhaust.
- The contractor must maintain and tune-up all construction equipment to minimize noise emissions.
• Stationary equipment must be placed so as to maintain the greatest possible distance to the sensitive receptors.
• All equipment servicing must be performed so as to maintain the greatest possible distance to the sensitive receptors.
• Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction are required to be hydraulically or electronically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler must be used; this muffler can lower noise levels from the exhaust by up to approximately 10 dBA. External jackets on the tools themselves must be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures must be used, such as drills rather than impact equipment, whenever feasible.
• A qualified “Noise Disturbance Coordinator” will be retained amongst the construction crew to be responsible for responding to any local complaints about construction noise. When a complaint is received, the Disturbance Coordinator shall notify the City within 24 hours of the complaint and determine the cause of the noise complaint (e.g., starting too early, malfunctioning muffler, etc.) and implement reasonable measures to resolve the compliant, as deemed acceptable by the Director of Planning and Building Safety.
• Select demolition methods to minimize vibration, where possible (e.g., sawing masonry into sections rather than demolishing it by pavement breakers).

By signing this document, ______________________ on behalf of CenterCal Properties LLC, certifies that he/she has read, understood, and agree to the Project Conditions listed in this document.

Name:
Title:

{If Corporation or similar entity, needs two officer signatures or evidence that one signature binds the company}
The following are the Public Works Department’s Conditions of Approval for the subject project.

1. Applicant shall comply with all terms of the Agreement with the City, #4924-1 and all subsequent amendments.

2. Any existing water meters, potable water service connections, fire backflow devices and potable water backflow devices must be upgraded to current City Water Division standards. These devices shall be placed or relocated onto private property.

3. The applicant must submit plans for water system upgrades to the City of El Segundo Public Works Department for review and approval, including traffic control plans for work in the Public right-of-way (ROW).

4. The Project must comply with the National Pollutant Discharge Elimination System (NPDES) Permit requirements and provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control. All NPDES Permit requirements must be provided for prior to issuance of any permit for Demolition, Drainage, or Grading, as applicable.

5. The grading and drainage plan must be provided by a State-licensed Civil Engineer. Hydrologic and hydraulic calculations must be submitted to size appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. All plans and studies shall be prepared by a State-licensed Civil Engineer and approved by the City Engineer prior to issuance of a Grading Permit.
6. A utility plan shall be provided that shows all existing and proposed utility lines and their sizes (sewer, water, gas, storm drain, electrical, etc.), including easements, around the project site. The required fees will be determined based upon the information provided on the Site plan.

7. No construction-related parking or materials staging shall be permitted on or within the Public ROW.

8. Prior to commencing work, applicant shall secure all necessary permits from the Public Works Department, including lane closures.

9. All on-site drainage devices, concrete curbs and gutters, sidewalks, drive approaches, and roadway/parking lot pavement shall be designed and constructed in compliance with the latest edition of the American Public Works Association Standard Plans ("APWA Standards") and the Standard Specifications for Public Works Construction (Greenbook), to the satisfaction of the City Engineer.

10. Sepulveda Boulevard is a Caltrans-owned and maintained roadway. All work performed within Caltrans ROW requires review and approval by Caltrans and a Caltrans-issued permit.

11. At the sole cost and expense of the Property Owner, any broken or damaged public infrastructure resulting from construction of the Project shall be repaired and reconstructed as noted in condition numbers 9 and 10.

12. All Project related solid and recyclable waste material handling shall be in accordance with any and all existing State laws at the time of Building Permit issuance. Records demonstrating compliance shall be provided to the Building Official and Public Works Director prior to issuance of a Certificate of Occupancy.

13. Pursuant to condition #12, reasonable efforts shall be used to reuse and recycle construction and demolition debris, to use environmentally friendly materials, and to provide energy efficient buildings, equipment and systems. A Demolition Debris Recycling Plan that indicates where select demolition debris is to be sent shall be provided to the Building Official prior to the issuance of a demolition permit. The Plan shall list the material to be recycled and the name, address, and phone number of the facility of organization accepting the materials.

14. A Construction Management Plan prepared by the construction contractor, which identifies the areas of construction staging, temporary power, portable toilet, and trash and material storage locations, shall be submitted to and approved by the Building Official and City Engineer. Prior to commencement
of work the construction contractor shall advise the Public Works Inspector and the Building Inspector ("Inspectors") of the construction schedule and shall meet with the Inspectors.

15. A Pedestrian Protection Plan shall be submitted to and approved by the Building Official and City Engineer. Such plan shall identify all areas of pedestrian protection and indicate the method of pedestrian protection or pedestrian diversion when required. When pedestrian diversion is required, the Pedestrian Protection Plan must also be approved.

16. Prior to issuance of a Certificate of Occupancy, all unused driveways must be closed off with full height curb, gutter and sidewalk per Greenbook and APWA standards, as applicable to match the existing site conditions.

17. The applicant must provide a potable water service laterals and water meters for the lot. The location and sizes of all proposed water meters must be approved by the Public Works Department/Water Division.

18. The proposed Project may affect the capacities of the existing sewer main lines. Applicant must provide the City with current and proposed daily sewage use calculations. The City will review the calculations and will inform the applicant if sewer main upgrades are necessary. If sewer main upgrades are necessary, the applicant will provide a one-week flow analysis on manholes and a sewage flow study for the proposed improvements, and design and construct the necessary upgrades to the satisfaction of the City Engineer. Design must be approved by the City Engineer prior to issuance of a Building Permit; Construction must be completed and accepted by the Public Works Director prior to issuance of a Certificate of Occupancy.

19. The sewer connection fee for this project must be paid to the Los Angeles County Sanitation District. They can be reached at 310.638.1161.

20. The applicant must provide sewer laterals with cleanouts and pay the required sewer connection fees.

21. Any unused water or sanitary sewer laterals must be abandoned and properly capped at the City main. The contractor must obtain necessary permits and licenses, and provide traffic control plans and shoring plans.

22. All Record Drawings ("As-Builts") and supporting documentation shall be submitted to the Public Works Engineering Division prior to scheduling the project's final inspection.
City of El Segundo
INTER-DEPARTMENTAL CORRESPONDENCE

23. A Construction Traffic Management Plan shall be prepared by a State-licensed Traffic or Civil Engineer. The Construction Traffic Management Plan shall be submitted to the City Engineer for review and approval prior to the issuance of any Project demolition, grading, or drainage permit. The Construction Traffic Management Plan shall also be reviewed and approved by the City's Fire and Police Departments. The City Engineer reserves the right to reject any engineer at any time and to require that the Plan be prepared by a different engineer. The Construction Traffic Management Plan shall contain, but not be limited to, the following:

a. The name and telephone number of a contact person who can be reached 24 hours a day regarding construction traffic complaints or emergency situations.

b. An up-to-date list of local police, fire, and emergency response organizations and procedures for the continuous coordination of construction activity, potential delays, and any alerts related to unanticipated road conditions or delays, with local police, fire, and emergency response agencies. Coordination shall include the assessment of any alternative access routes that might be required through the Property, and maps showing access to and within the Property and to adjacent properties.

c. Procedures for the training and certification of the flag persons used in implementation of the Construction Traffic Management Plan.

d. The location, times, and estimated duration of any roadway closures, traffic detours, use of protective devices, warning signs, and staging or queuing areas.

e. The location and travel routes of off-site staging and parking locations.
City of El Segundo
INTER-DEPARTMENTAL CORRESPONDENCE

LOT LINE ADJUSTMENT CONDITIONS

1. Provide current Preliminary Title Report (within 30-days).

2. Application must be completed and signed by the property owners.

3. Show all existing and proposed easements.

4. Provide a legal description and plat showing clearly delineating existing and proposed lot lines. Provide closure calculations.

5. Provide acreage (before and after) of each lot.

6. Must be prepared by a State-licensed Land Surveyor, or properly State-licensed Civil Engineer.
EA-1135, SUB 16-03 – Top Golf

Owner Name: City of El Segundo

Applicant Name: ES Centeral, LLC

Facility Address: 400 S. Sepulveda Bl.

Phone: ----- Phone: -----

INSTRUCTIONS:
Prior to approval, the plans must indicate the information, revisions, and/or corrections indicated below. To the left of the corrections, please indicate the sheet number of the plans on which the correction has been made. Cloud all corrections on plans. Notes are not acceptable.

ADDRESSING
1. The street addressing shall be a minimum of 6 inches high, visible from the street or driving surface, of contrasting color to the background and directly or backlit illuminated during hours of darkness.
   - Note on the plans how the addressing will be illuminated (direct or backlit).
2. All addressing locations and sizes shall be depicted on the elevation pages.

LANDSCAPING
1. All landscaping shall be low profile around perimeter fencing, windows, doors and entryways taking special care not to limit visibility or provide climbing access. Floral or grass ground cover is recommended. Bushes shall be trimmed to 2 to 3 feet and away from buildings. Dense bushes shall not be clumped together; this provides a hiding place for criminal activity. Trees shall be trimmed up to 7 feet.
2. Trees/bushes/shrubs shall not be planted next to or near any light fixture or light standard. When grown to maturity this landscaping will block the light and reduce lighting on the ground surface.
   - Are you intending to plant trees throughout in the parking lot? If so, where are they located in relation to the light standards?

LIGHTING (Photometric Study - Sheet 13):
1. The parking lot, all entry and service doors, bicycle racks, sidewalks and trash dumpster shall be illuminated with a maintained minimum of one footcandle of light on the ground surface during hours of darkness.
2. A photometric study, which includes all of the above, shall be provided prior to issuing the Building Permit.
3. A site plan shall be provided showing buildings, parking areas, walkways, and the point-by-point photometric calculation of the required light levels. Footcandles shall be measured on a horizontal plane and conform to a uniformity ratio of 4:1 average/minimum.
4. Street lighting shall not be included in the calculations.
EXTERIOR LADDERS
1. Exterior mounted ladders are prohibited except:
   o Ladders with a minimum 1/8 inch thick steel plate, securely attached to the ladder edge on each side and extending to within two inches of the wall for a height of ten feet above ground level. A door or cover shall be securely attached to the front of the ladder and be constructed of a minimum 1/8-inch steel, extending from ground level to at least ten feet high. The ladder door shall have nonremovable hinge pins and be locked tight against the side wall by a locking mechanism with a minimum five pin tumbler operation, and attached with nonremovable bolts from the exterior; or,
   o Ladders beginning at a height of ten feet above ground.

SECURITY CAMERAS (Include notes in plan)
1. Security cameras shall be installed in all new commercial/retail establishments if the Police Department deems it necessary due to the type of business, hours of operation, location and propensity to crime.
2. The Police Department shall determine the monitoring and recording location of the security cameras, which include, but are not limited to: receiving areas, cash handling/counting areas, the manager’s office, the safe, all access doors and any other areas deemed necessary by the Police Department.
3. Monitor and recording equipment shall be stored in a secure area (ex. manager’s office).
4. The Police Department's minimum camera requirements shall be listed after the Camera Specifications.
5. Camera Specifications:
   • All security cameras shall be in color.
   • Cameras, especially those viewing customers as they enter the business or stand at cash registers, shall capture the individual from the waist to the top of the head, straight on.
   • If storefront windows and entry doors are constructed of glass, cameras shall be positioned to face away from them to prevent glare.
   • Cameras facing Point of Sale shall be slightly off set so the employee at the register does not block full view of the customer.
   • Cameras shall be situated low enough so that caps/hats or other disguises (typically used when committing a crime) will not obstruct the view of the individual's face. This will provide the best possible picture for identification during the investigation process.
   • Interior cameras: the maximum mounting height shall be 8 feet. Parking lot cameras: the maximum mounting height shall be 10-12 feet.
   • The recording equipment shall be digital and shall have a minimum of twenty one (21) days of storage capacity.
   • Cameras shall be of the highest resolution.
   • There shall be a monitor connected to the recording equipment to play back and review the video. The equipment shall be stored in a secure area (ex. manager’s office).
   • Security camera recordings shall be made available to law enforcement.
6. The minimum camera locations for this project shall capture, but is not limited to:
   - All public access doors, facing the customers as they exit.
   - Customers as they stand at all points of sale.
   - The parking lot and driveway entrances (capturing the license plate).
   - Each safe.
   - Public Restroom doors.
   - The lobby desk/lobby area.
   - First floor stairwell doors and elevator lobby.
   - Bar seating and bar area seating.
   - Café seating area.

**SAFE**

1. A safe shall be installed in all commercial/retail businesses in a secured location (ex: manager’s office) and shall be equipped with suitable anchors in concrete blocks or to the premises in which it is located.
   - *Note in plans the location of each safe and that it “shall be equipped with suitable anchors in concrete blocks or to the premises in which it is located.”*

**DOCK AREA**

1. Sectional/roll-up door(s) shall have an interior locking device located on each side of the door (padlocks or cane bolts can be used).

**STAIR WELL DOORS (INTERIOR AND EXTERIOR)**

1. Pedestrian doors which provide access to stairwells shall be constructed and equipped as follows:
   - A minimum 100 square inch vision panel with the width not less than five inches shall be installed to provide visibility into the area being entered. Vision panels shall meet requirements of the Uniform Building Code.
   - Secured exterior doors with vision panels shall preclude manipulation of the interior locking device from the exterior.

**DOORS/HARDWARE**

1. Entry doors:
   - See El Segundo Police Department Approved hardware below

2. All cash handling rooms and manager’s office shall have:
   - A deadbolt locking device.
     - See El Segundo Police Department Approved hardware below.
   - A wide-angle (190-200 degrees) door viewer installed, mounted no more than fifty eight inches from the bottom of the door.
El Segundo Police Department Approved Security Hardware

**Single Or Double Swing / Hollow Metal And Wood Doors Only:**
- Schlage L9453 or equal lockset (Grade 1 lockset with 1" throw bolt)
  - with the equivalent of an MS 4043 cylinder guard.
- Electrified L9453 or equal (Grade 1 lockset with 1" throw bolt)
  - with the equivalent of an MS 4043 cylinder guard.
  - *A latch bolt by itself is not acceptable*
- A latch guard shall be placed over single swing entry doors. If the door is recessed, a recessed latch guard shall be installed.

**Hollow Metal Double Door Only:**
- Must have a full length steel astragal (Pemko 357 or equal), not aluminum. Inactive door is to have auto-releasing flush bolts, header and threshold, with a min ½" embedment.

**Single Or Double Swing Doors where panic hardware is required (wood, hollow metal and aluminum):**
- Von Duprin or equal vertical rod panic hardware [panic bar shall be offset on both sides – Adams Rite is not acceptable for this application on aluminum doors only]
- There shall be no mail slot located within 40" of the door, where the push bar can be manipulated by reaching through.

**Single Door Alternative where panic hardware is required:**
- Rim Panic with the installation of an exterior 12 inch astragal. If astragal can’t be installed a vertical rod panic device will be required.

**Aluminum/Glass Doors only where panic hardware is not required:**
- **Single Swing:** Adams Rite MS1890 Hook bolt with an Adams Rite 4002 Flat Armored Trim Strike plate, or, Keedex surface mounted armored strike or equal (meeting a minimum 1500 pound sheer force)
  - with a MS 4043 Cylinder Guard or equal.
- **Double Swing:** MS 1850 Laminate Swing Bolt (1 ¾"") and:
  - an MS 4043 Cylinder Guard or equal.
  - An Adams Rite 4085 header bolt or equal
  - and a Adams Rite MS 4002 Radius Armored Trim Strike plate designed for double doors or equal.

**Hinges:**
- All exterior hinges, whether off a common corridor or to the ext of the building will require that all three hinges have an NRP designation (non-removable pin) set screw.

*HARDWARE LISTED ARE EXAMPLES. HOWEVER, ANY EQUAL GRADE IS ACCEPTABLE AFTER CUT SHEETS ARE PROVIDED AND MEETS WITH THE POLICE DEPARTMENT APPROVAL.*
TRAFFIC DIVISION CONCERNS (Sgt. Mike Gill)

1. None.

RETURN THIS SHEET WITH REVISED PLANS AND SPECIFICATION WHEN CORRECTIONS HAVE BEEN MADE.

Reviewed and approved by:

Mitch Tavera, Chief of Police

Date
Proposed Ordinance No. ____, including The Lakes Specific Plan document, dated September 5, 2017
ORDINANCE NO. ___

AN ORDINANCE APPROVING SPECIFIC PLAN NO. SP 16-02, ZONE CHANGE NO. ZC 16-01, AND ZONE TEXT AMENDMENT NO. ZTA 16-04, AMENDING THE EL SEGUNDO ZONING MAP AND ADDING ESMC § 15-3-2(A)(11) FOR THE LAKES SPECIFIC PLAN PROJECT LOCATED AT 400 SOUTH SEPUVLEDA BOULEVARD.

The City Council of the City of El Segundo does ordain as follows:

SECTION 1: The City Council finds and declares as follows:

A. On June 20, 2016, CenterCal Properties, LLC, filed an application for Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05 for approval of a specific plan and related discretionary entitlements to facilitate a development project at the Lakes golf course consisting of replacing an existing driving range and hitting bays with a three-story golf-themed commercial recreation and entertainment facility, including hitting bays, a restaurant/bar, and other supporting accessory uses to be operated under the “Topgolf” brand (the “Project”). Additional project improvements include demolition of the existing clubhouse and reconstruction of a smaller clubhouse, modification of the fairways and layouts of six holes at the existing 9-hole executive golf course, new golf course lighting, and modification and expansion of the existing parking to accommodate additional parking to serve the facility;

B. After submittal of additional information, Staff deemed the project applications complete on August 31, 2016;

C. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000 et. seq. (“CEQA”), the State’s CEQA Guidelines, California Code of Regulation, Title 14, Section 15000 et. seq., the City’s Local CEQA Guidelines (City Council Resolution No. 2805, adopted March 16, 1993), and Government Code Section 65962.5(f) (Hazardous Waste and Substances Statement), the City of El Segundo prepared an Environmental Impact Report (State Clearinghouse Number 2016091003) (the “EIR”);

D. The City prepared an Initial Environmental Study (the "Initial Study") for the Project pursuant to Section 15063 of the CEQA Guidelines,
and on September 1, 2016, the Initial Study (IS) and Notice of Preparation (NOP) were released to the public and public agencies for a comment period of 33 days (through October 3, 2016). On September 1, 2016, a Public Notice was mailed to property owners within a 300-foot radius from the subject property, the Notice was published in the *El Segundo Herald*, and the Notice was posted on the City’s website. Lastly, a copy of the Initial Study was made available at the public counter at City Hall and the local library, and was made available on the City’s website for the public to download and review;

E. On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to provide verbal comments on the IS/NOP;

F. After the NOP comment period ended, the Draft EIR was prepared taking the comments into account. After completing the Draft EIR, the document was made available to the public on January 26, 2017 for a 47-day public comment period that concluded on March 13, 2017;

G. On February 2, 2017, City Staff hosted a noticed public commenting session to provide the public with an opportunity to submit verbal comments, in addition to the typical written comments, on the Draft EIR. Advertisement of the public commenting session was provided by a Notice published in the *El Segundo Herald*, a Notice mailed to all property owners within a 300-foot radius, a Notice was posted at The Lakes clubhouse facility, and a Notice was posted on the City’s website;

H. On May 25, 2017, the Final EIR was completed and Notice was provided via mail to all property owners within a 300-foot radius of the subject site, and on May 25, 2017 a Notice was published in the *El Segundo Herald* announcing that a public hearing was scheduled with the Planning Commission on June 8, 2017 to review the Final EIR and the entitlement applications for the proposed project;

I. On June 8, 2017, the Planning Commission conducted a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City staff and public testimony, and the applicant;

J. On July 13, 2017, the Planning Commission adopted Resolution No. 2821 recommending that the City Council approve Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text
Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05;

K. On August 24, 2017, a Notice was provided via mail to all property owners within a 300-foot radius of the subject site, and on August 24, 2017, a Notice was published in the El Segundo Herald announcing that a public hearing was scheduled with the City Council on September 5, 2017. Lastly, the notice was posted on the City’s website;

L. On September 5, 2017, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance, and the Planning Commission’s recommendation; and

M. This Ordinance and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the Planning Commission on June 8, 2017 and July 13, 2017, and evidence presented to the City Council at its September 5, 2017 hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Environmental Assessment. On _____, 2017, the Council adopted Resolution No. _____ certifying a Final Environmental Impact Report (FEIR) and adopting a Mitigation Monitoring and Reporting Program (MMRP) for this Project which, among other things, properly assesses the environmental impact of this Ordinance, and the Project, in accordance with CEQA. This Ordinance incorporates by reference the environmental findings and analysis set forth in Resolution No. _____.

SECTION 3: Findings of Fact and Conclusions. The findings of fact and conclusions set forth in Resolution No. _____, adopted by the City Council on _____, 2017, are incorporated herein by reference as if fully set forth.

SECTION 4: Specific Plan. The City Council makes the following findings:

A. Specific Plans create “mini-zoning” regulations for land uses within particular areas of the City. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in the adopted Specific Plan, even when they may be different from the general regulations within the ESMC.

B. The proposed specific plan is in the public interest, and there will be a community benefit resulting from the specific plan. The Lakes Specific Plan provides flexibility for The Lakes golf course to expand
its existing operations or develop new facilities that are compatible with the existing facilities and uses. The Specific Plan includes a development concept that accounts for and allows for the Topgolf facility; includes new land use and zoning categories and identifies the properties that are effected; includes design guidelines to help promote high-quality development; and development standards to address uses, lot area, height, setbacks, floor area, parking, landscaping and signage. All development in the project area is subject to the development standards and requirements of the specific plan. The Lakes Specific Plan document is set forth and illustrated in attached Exhibit “B”.

SECTION 5: The City Council amends the current Zoning Map to reflect a change to the zoning designation of the Project area at 400 South Sepulveda Boulevard from Open Space (O-S) to The Lakes Specific Plan (TLSP), as set forth and illustrated in attached Exhibit “A”, based on the following factual findings:

A. The proposed Zone Change is necessary to carry out the proposed project because the proposed General Plan Amendment would change the land use classification of the project site from Parks, to The Lakes Specific Plan. The proposed Zone Change is necessary to maintain consistency with the proposed General Plan land use designation of The Lakes Specific Plan.

B. The purpose of ESMC Title 15 is to implement the goals, objectives and policies of the El Segundo General Plan. The zone change is consistent with the General Plan goals, objectives and policies discussed in Section 4 of this resolution.

SECTION 6: Zone Text Amendment Findings. Based on the findings of fact set forth in this Ordinance and in Resolution No. ____, and on the administrative record as a whole, the City Council finds that the addition of ESMC § 15-3-2(A)(11) is necessary to create The Lakes Specific Plan (TLSP) Zone and to ensure consistency with the General Plan as amended by Resolution No. ____.

SECTION 7: Specific Plan Findings. Creation of The Lakes Specific Plan (TLSP) is necessary and desirable to implement the Project. Without amending the ESMC, the current zoning would not permit commercial entertainment and recreational development. An amendment to ESMC § 15-3-2(A) to create The Lakes Specific Plan (TLSP) is necessary for consistency with the General Plan.

SECTION 8: Actions. The City Council takes the following actions:

A. Zone Text Amendment No. 16-04: ESMC § 15-3-2(A)(11) is added to read as follows:
“11. The Lakes Specific Plan: There is one zone intended to be used within the boundaries of the El Segundo South Campus Specific Plan. The zone is:

TLSP -- The Lakes Specific Plan”

B. Zone Change Number ZC 16-01: The City's Zoning Map is amended by changing the Project site from "Open Space" to "The Lakes Specific Plan". The corresponding changes to the Zoning Map are set forth in attached Exhibit "A".

C. Specific Plan No. 16-02: The Lakes Specific Plan is adopted as set forth in attached Exhibit "B," which is incorporated into this Ordinance by reference.

D. To the extent they are not otherwise adopted or approved by this Ordinance, the City Council approves Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04.

SECTION 9: Technical Corrections. The City Manager, or designee, is authorized to make technical corrections, in a form approved by the City Attorney, to maps, diagrams, tables, and other, similar, documents (collectively, "Maps") that may be required to reconcile the changes made by this Ordinance with amendments made to the Zoning Map by other City Council action in unrelated land use applications.

SECTION 10: Reliance on Record. Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 11: Limitations. The City Council's analysis and evaluation of the Project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 12: Summaries of Information. All summaries of information in the findings which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding, is not based in part on that fact.
SECTION 13: Effectiveness of ESMC. Repeal or amendment of any provision of the ESMC will not affect any penalty, forfeiture, or liability incurred before or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 14: Recordation. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo’s book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 15: Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 16: Effective Date. This Ordinance will go into effect and be in full force and effect on the thirty-first (31st) day after its passage and adoption.

PASSED AND ADOPTED this ___ day of ____________, 2017.

Suzanne Fuentes, Mayor

ATTEST:

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ____ was duly introduced by said City Council at a regular meeting held on the ____ day of ____________, 2017, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and
attested to by the City Clerk, all at a regular meeting of said Council held on the
_____day of_________, 2017, and the same was so passed and adopted by the
following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

__________________________
Mark D. Hensley, City Attorney
EXHIBIT A (Ordinance No. ____)
400 South Sepulveda Boulevard
Proposed Zoning Designation
The Lakes Specific Plan (TLSP)

City of El Segundo
THE LAKES SPECIFIC PLAN

Specific Plan No. SP 16-02

September 5, 2017
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I. INTRODUCTION

A. SPECIFIC PLAN AREA

The Lakes Specific Plan (TLSP) area is located in the City of El Segundo, County of Los Angeles, California. El Segundo is situated 15 miles southwest of downtown Los Angeles. The City of El Segundo is located south of the City of Los Angeles, west of the City of Hawthorne and the County of Los Angeles, north of the City of Manhattan Beach, and the east of the City of Los Angeles and the Pacific Ocean (refer to Exhibit 1, Regional Vicinity Map).

More specifically, the roughly 26.54 gross acre area within the Specific Plan is located in the southeast quadrant of the City of El Segundo, approximately 2.0 miles south of the Los Angeles International Airport (LAX) and the Glen Anderson Century Freeway (I-105), two miles west of the San Diego Freeway (SR-405), and approximately 2.0 miles west of the juncture of these two freeways. The site is bounded by a small commercial shopping center and El Segundo Boulevard to the north, the Southern California Edison high voltage transmission lines and the Raytheon Company Campus to the east, Hughes Way and a public storage facility to the south, the West Basin Municipal Water District Water Recycling Facility to the southeast, and Sepulveda Boulevard and the Chevron oil refinery to the west (refer to Exhibit 2, Local Vicinity Map, and Exhibit 3, Local Vicinity Aerial View). The adjacent land uses are commercial retail and restaurant uses in the Commercial General (C-3) Zone and surface parking lot in the Automobile Parking (P) Zone to the north; a mixture of commercial, industrial and recreational uses in the recently adopted El Segundo South Campus Specific Plan (ESSCSP) to the east; the West Basin Municipal Water District Water Recycling Facility and offices, light industrial and regional commercial retail uses in the Public Facilities (P-F) Zone, Light Industrial (M-1) Zone, and Commercial Center (C-4) Zone respectively to the south and southeast; and industrial uses in the Heavy Industrial (M-2) Zone to the west. A Multi-Media Overlay (MMO) District overlies the entire eastern half of the City, including the Specific Plan area.

A.1 SPECIFIC PLAN SUBAREAS

The Lakes Specific Plan area contains two subareas, as illustrated in Exhibit 5: Public Recreation Open Space (PUB-REC/OS), and Commercial Public Recreation/Open Space (CPR/OS).

PUBLIC RECREATION/OPEN SPACE: The Public Recreation/Open Space subarea measures approximately 16.06 acres in area, and is located in the northern portion of the TLSP area. Future uses and developments allowed by the TLSP includes maintaining the existing Lakes golf course, a 9-hole executive golf course; putting green; Pro Shop with outdoor dining; and a maintenance building at the northern end of the course.

COMMERCIAL PUBLIC RECREATION/OPEN SPACE: The Commercial Public Recreation/Open Space subarea measures approximately 10.49 acres in area, and is located in the southern portion of the TLSP area. Future uses and development allowed by the TLSP include commercial recreation and entertainment facilities that are open to the public. This will allow for a commercial golf entertainment facility, consisting of a driving range; a multi-story building with hitting bays,
restaurants and kitchen areas, meeting/event facilities, office space, bar areas, and lounges; and surface parking for the TLSP area.

B. BACKGROUND

The Lakes at El Segundo is a municipal golf course owned by the City of El Segundo which opened to the public in June 1994. The 9-hole executive golf course and practice facilities (2-level, 5,953 square-foot 57 bay driving range and putting green) are currently operated by the professional management group Lane/Donovan Golf Partners with the support of City of El Segundo Parks and Recreation Department staff. Additionally, the existing golf course has a 5,330 square-foot Pro Shop with approximately 750 square feet of patio space used for outdoor dining. A small 396 square-foot storage building is located east of the Pro Shop. A 1,775 square-foot maintenance building is located at the northern end of the course. The golf course uses a 3.58-acre portion of the Southern California Edison property directly east of the golf course subject to a license agreement between Southern California Edison and the City that will continue with the adoption of the Specific Plan. The City of El Segundo is negotiating an agreement with the West Basin Municipal Water District to use a 0.67-acre portion of the northwest corner of their property to support additional parking for the future development that would be allowed by this Specific Plan.
EXHIBIT 3
LOCAL VICINITY AERIAL VIEW
The buildings that currently exist on site cumulatively measure approximately 14,204 square feet, for an FAR of approximately 0.012 (refer to Exhibit 4, *Existing Development*). The current square footage is broken down as follows between uses:

**Table I-1**  
Existing Uses

<table>
<thead>
<tr>
<th>Use</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>110</td>
</tr>
<tr>
<td>Retail (Pro Shop)</td>
<td>1,030</td>
</tr>
<tr>
<td>Restaurant</td>
<td>1,870</td>
</tr>
<tr>
<td>Outdoor Dining</td>
<td>750</td>
</tr>
<tr>
<td>Meeting/Event Space</td>
<td>700</td>
</tr>
<tr>
<td>Storage (Pro Shop, Maintenance and Separate Storage Buildings)</td>
<td>2,321</td>
</tr>
<tr>
<td>• Pro Shop – 150</td>
<td></td>
</tr>
<tr>
<td>• Maintenance Building – 1,775</td>
<td></td>
</tr>
<tr>
<td>• Detached Storage Building - 396</td>
<td></td>
</tr>
<tr>
<td>Restrooms</td>
<td>1,470</td>
</tr>
<tr>
<td>Driving Bays</td>
<td>5,953</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,204</strong></td>
</tr>
</tbody>
</table>

The existing buildings consist of:

**Table I-2**  
Existing Buildings

<table>
<thead>
<tr>
<th>Building</th>
<th>Use</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Shop Building</td>
<td>Retail, Restaurant, Office, Meeting Room/Event Space, Restrooms and Storage</td>
<td>5,330</td>
</tr>
<tr>
<td>Maintenance Building</td>
<td>Maintenance</td>
<td>1,775</td>
</tr>
<tr>
<td>Detached Storage Building</td>
<td>Storage</td>
<td>396</td>
</tr>
<tr>
<td>Driving Range Building</td>
<td>Golf Course Driving Range (Hitting Bays)</td>
<td>5,953</td>
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<tr>
<td>Patio</td>
<td>Patio and Outdoor Dining</td>
<td>750</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>14,204 square feet</strong></td>
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</table>
Under the existing Open Space (O-S) development standards, an additional 912,437 square feet could be built based on the limitations of 40 percent lot coverage and twenty-six foot high buildings. This equates to a total FAR of 0.80. With this FAR, the Property is underdeveloped and could support additional building area and recreational uses.

The City entered into a Lease Agreement with E.S. Centercal, LLC (“Centercal”) which has a Commencement Date of February 3, 2016 to develop a commercial recreation and entertainment golf facility on the site, as well as build a new Pro Shop and make modifications to the existing golf course and green areas. The Lease Agreement was contingent on CEQA being completed and the proposed project being approved by the City Council. In order to complete this development, CenterCal filed for this Specific Plan in June 2016 along with other applications, including an Environmental Assessment, a General Plan and General Plan Map Amendment, Zoning Map Amendment, Zone Text Amendment, Lot Line Adjustment, Site Plan Review and Conditional Use Permit.

The intent of the Specific Plan is to allow development of the subareas identified by the Specific Plan. Thus, adoption of this Specific Plan will allow future expansion of uses permitted on the site with development standards for each subarea that are tailored to the unique recreation and entertainment uses in the Specific Plan area.

C. DEMOGRAPHICS

According to the 2010 United States Census, as of 2010 El Segundo had a population of 16,654 persons and a total of 7,410 dwelling units. The California Department of Finance reported a population estimate of 16,646 persons in January 2016¹. The 2015 Profile of the City of El Segundo prepared by the Southern California Association of Governments (“SCAG”) indicates that as of 2013 there were 39,554 jobs in the City of El Segundo.

D. ECONOMIC CONTEXT

At its peak before the economic recession of 2007, El Segundo had a daytime population of approximately 85,000 persons compared to its resident population of approximately 17,000 persons. There was a net loss of jobs in the City between 2007 and 2012 with the number of jobs beginning to increase in 2013. According to SCAG’s 2015 profile the total number of jobs dropped from 56,559 in 2007 to 38,447 jobs in 2012. In addition to the fiscal benefits of increased sales tax resulting from additional recreational golf amenities that will attract both local and regional visitors, there is a potential for approximately 500 additional jobs that could be created by implementing this Specific Plan, which will help improve the overall economic health of the City and contribute to the City’s ability to provide high quality municipal services to the benefit of the City’s resident and business community.

II. OVERVIEW OF THE SPECIFIC PLAN

A. PURPOSE AND AUTHORITY OF SPECIFIC PLAN

The purpose of this Specific Plan is to provide a regulatory framework to govern the land uses and development within the subject area through the application of regulations, standards and design guidelines. The Lakes Specific Plan provides text and exhibits which describe the proposed subareas, land uses and associated guidelines, and development standards.

This Specific Plan is adopted pursuant to Government Code §§ 65450 through 65457.

Pursuant to Government Code § 65451, a Specific Plan must include text and a diagram or diagrams which specify all of the following in detail:

- The distribution, location, and extent of the uses of land, including open space within the area covered by the plan.

- The proposed distribution, location, extent, and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy and other essential facilities proposed to be located within the land area covered by the plan and needed to support the land uses described in the plan.

- Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.

- A program of implementation measures including regulations, programs, public works projects and financing measures necessary to carry out the above items.

- A discussion of the relationship of the Specific Plan to the General Plan.

A thorough review of the El Segundo General Plan shows that this Specific Plan is compatible and consistent with the goals and policies outlined in the General Plan. This Specific Plan will further the goals and policies of the General Plan as more fully described below.

This Specific Plan was prepared to provide the essential relationship between the policies of the El Segundo General Plan and the development anticipated in the Specific Plan area. By functioning as a regulatory document, The Lakes Specific Plan provides a means of implementing the City of El Segundo’s General Plan. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in this document.
B. SPECIFIC PLAN SCOPE AND GOALS

The City of El Segundo is an employment-led community and accordingly, development has been led by employment rather than housing growth. The Lakes Specific Plan will serve the mission of economic development in the City which is to create, maintain, and implement a business climate that fosters a strong economic community, develop a strategic plan that will result in business retention and attraction, provide an effective level of City services to all elements of the community, and maintain the quality of life that has characterized El Segundo for more than nine decades.

Permitted uses within the Specific Plan area will create job opportunities and provide additional recreational and entertainment options for the residential and business community alike. Furthermore, the growth allowed by the Specific Plan will create a synergy with other commercial and industrial uses in the area by providing additional recreational and entertainment amenities in the City which will help these businesses to attract and retain employees. The development allowed under the Specific Plan will provide a basis for a positive contribution to the maintenance and expansion of El Segundo’s economic base as development typically increases the City’s business license taxes, increases the City’s utility user taxes, and increases the City’s sales taxes. An increased economic base will provide the City with resources to provide high-quality services to its residents and daytime population.

C. CONSISTENCY WITH THE GENERAL PLAN

The El Segundo General Plan provides the underlying fundamentals of The Lakes Specific Plan, which serves both as a planning and regulatory document. The Specific Plan is the document implementing the El Segundo General Plan for the Specific Plan area.

Proposed development plans, lot line adjustment maps, and any other development approvals must be consistent with the Specific Plan. Projects consistent with this Specific Plan will be automatically deemed consistent with the General Plan.

The Lakes Specific Plan requires a General Plan Amendment to change the Land Use designation from Parks, to The Lakes Specific Plan with an accompanying Land Use Map change. With approval of this amendment, the Specific Plan is consistent with the General Plan of the City of El Segundo, that is, it is compatible with, and will not impede, the General Plan’s goals, objectives and policies. More particularly, The Lakes Specific Plan directly implements or furthers the intent of the following goals, objectives and policies of the General Plan:

LAND USE ELEMENT

Goal LU4: Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.

Objective LU4-1: Promote the development of high quality retail facilities in proximity to major employment centers.
Policy LU4-1.1: Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

Policy LU4-1.2: All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.

Policy LU4-1.4: New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

Goal LU6: Maintain and upgrade the existing excellent parks, recreation, and open space facilities within the City of El Segundo.

Objective LU6-1: The development of parks, open space, and recreational facilities should be consistent with the guidelines, policies, and programs of the Open Space and Recreation Element.

Policy LU6-1.1: Continue to provide uniform and high quality park and recreational opportunities to all areas of the City, for use by residents and employees.

Policy LU6-1.3: Utilization of utility easements (flood control, power line rights-of-way) for recreational, open space, and beautification purposes should continue and additional possibilities should be explored.

Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.

Objective LU7-1: Provide the highest and most efficient level of public services and public infrastructure financially possible.

Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.

Policy LU7-2.3: All new development shall place utilities underground.

Policy LU7-2.4: All new public buildings shall have adequate off-street parking spaces, or the City shall provide adequate public transportation, in accordance with the provisions and standards of all elements
of the General Plan, to accommodate employees and the public.

Policy LU7-2.5: All public facilities and utilities should be designed to enhance the appearance of the surrounding areas in which they are located.

ECONOMIC DEVELOPMENT ELEMENT

Goal ED1: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.

Objective ED1-1 To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo’s economic base.

Policy ED1-1.2: Focus short-run economic development efforts on business retention and focus longer-run efforts on the diversification of El Segundo’s economic base in order to meet quality of life goals.

Objective ED1-2: Center diversification efforts on targeted industries that meet the City’s criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo’s retail and commercial base so that the diverse needs of the City’s business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City’s tax base, balancing economic development and quality of life goals.

Policy ED1-2.3: Seek to balance the City’s economic development program with the City’s resources and infrastructure capacity.

CIRCULATION ELEMENT

Goal C1: Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.

Policy C1-1.8: Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities.

Policy C1-1.9: Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.
Policy C1-3.2: Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.

Policy C2-2.2: Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes hanging facilities at or close to the bicyclist's work destination.

Policy C2-5.1: Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.

Policy C3-1.8: Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.

Policy C3-2.1: Ensure the provision of sufficient on-site parking in all new development.

OPEN SPACE AND RECREATION ELEMENT

Goal OS1: Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.

Objective OS1-1: Preserve existing and acquire future public park and recreation facilities which are adequate for serving the existing and future resident population.

Objective OS1-2: Preserve existing and support acquisition of additional private park and recreation facilities to foster recognition of their value as community recreation and open space resources.

Objective OS1-3: Provide recreational programs and facilities for all segments of the community.

Policy OS1-3.4: Encourage commercial recreational uses to locate in El Segundo.

Objective OS1-4: Develop utility transmission corridors for active or passive open space and recreational use.

CONSERVATION ELEMENT
Policy CN2-5: Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.

Policy CN2-7: Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-8: Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-11: Encourage, whenever appropriate and feasible, development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

NOISE ELEMENT

Goal N1: Encourage a high quality environment within all parts of the City of El Segundo where the public’s health, safety, and welfare are not adversely affected by excessive noise.

Objective N1-1: *It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.*

Objective N1-2: *It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo’s Noise Ordinance standards.*

Policy N1-2.1: Require all new projects to meet the City’s Noise Ordinance Standards as a condition of building permit approval.

Program N1-2.1A: Address noise impacts in all environmental documents for discretionary approval projects, to insure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.
PUBLIC SAFETY ELEMENT

Objective PS1-1:  *It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.*

Program PS1-1.1A: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.

Policy PS1-1.2:  Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as conditions for project approval.

Program PS1-1.2A: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to landsliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.

Goal PS2:  *Minimize injury and loss of life, property damage, and social cultural and economic impacts caused by earthquake hazards.*

Policy PS2-1.2:  The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.

Objective PS6-1:  *It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from wildland and urban fires*

Policy PS6-1.1:  Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Program PS6-1.2C: The City shall continue to require that all property be maintained in compliance with the fire code.

Goal PS7:  *Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting from earthquakes, hazardous material incidents, and other natural and man-made disasters.*
D. ENTITLEMENTS

The following entitlements are required in conjunction with this Specific Plan (SP No. 16-02):

- Environmental Assessment No. EA 1135 for a 66,294 square-foot commercial recreation and entertainment facility, a 2,500 square-foot Pro Shop, modifications to six holes at the existing golf course, and parking lot expansions and modifications.

- General Plan Amendment No. GPA 16-01 to change the land use designation from Parks, to “The Lakes Specific Plan (TLSP)”. The amendment also includes a change to the General Plan Land Use Map.

- Zone Text Amendment No. ZTA 16-04 to add a new section to the City’s Zoning Code, ESMC §15-3-2(A)(11) “The Lakes Specific Plan (TLSP).”

- Zone Change No. ZC 16-01 to rezone the property from Open Space (OS), to The Lakes Specific Plan (TLSP).

- Lot Line Adjustment No. SUB 16-03 to reconfigure the two existing city-owned parcels that comprise The Lakes Specific Plan area.

- Conditional Use Permit No. CUP 16-05 to allow the on-site sale and consumption of beer, wine and alcohol at the Commercial recreation and entertainment facility for the restaurant, bar and entertainment areas.

- Administrative Use Permit No. AUP 16-09 for review of the signs.

- Site Plan Review No. SPR 16-01 for development improvements consistent with The Lakes Specific Plan.

Findings justifying the General Plan Amendment and Zone Change include:

1. The primary objective of The Lakes Specific Plan is to provide for superior, more comprehensive site planning of the Specific Plan area and development standards that address the needs of the unique public recreation and commercial recreation uses on site.

2. Uses permitted within The Lakes Specific Plan area are fundamentally consistent with the prior zoning and are compatible with adjacent uses.

E. EXISTING LAND USES

The City of El Segundo has distinctive land use patterns, which are divided into four quadrants by the intersection of Sepulveda Boulevard and El Segundo Boulevard. Compatibility of an individual land use is determined mainly by its relationship to other uses within its quadrant. The Lakes
Specific Plan area is located in the southeastern quadrant of the City of El Segundo, which is east of Sepulveda Boulevard and south of El Segundo Boulevard. The design and implementation of this Specific Plan relate directly to its position within this larger context.

The southeast quadrant of the City is primarily designated for light industrial which allows a mixture of industrial and office uses. This quadrant also contains a commercial region which is home to the retail development of Plaza El Segundo, an approximately 500,000 square foot lifestyle commercial retail shopping center and the Lakes Municipal Golf Course, which is the subject site of this Specific Plan. The northeast quadrant of the City lies north across El Segundo Boulevard and consists primarily of corporate office and urban mixed uses which allow for office and commercial uses. The southwest quadrant of the City lies directly across Sepulveda Boulevard and consists primarily of an oil refinery/heavy industrial use. A Multimedia Overlay District overlies both the southeast and northeast quadrants of the City. Before the adoption of The Lakes Specific Plan (TLSP) the property was designated as Parks in the General Plan Land Use Element with Open Space zoning.

Adjacent land uses include the following:

**North:** The land uses to the north include a small commercial shopping center with retail and restaurants directly adjacent to the existing golf course and mid- and high-rise office buildings with multi-story parking structures are located across El Segundo Boulevard. LAX is located approximately 1.0 mile north of the Specific Plan area.

**East:** The adjacent land uses to the east include the Edison transmission lines, the industrial uses in the El Segundo South Campus Specific Plan and the elevated MTA Green Line. The El Segundo Boulevard Green Line station is located at the northeast corner of the El Segundo South Campus Specific Plan along El Segundo Boulevard at Nash Street.

**South:** The adjacent land uses to the south/southeast include a public storage facility and the West Basin Municipal Water District Recycling Facility and offices, The Plaza El Segundo commercial retail shopping center is located south of the public storage facility. A Federal Express distribution facility and the City of El Segundo Stormwater retention basin are located further south of the West Basin Municipal Water District Recycling Facility and offices.

**West:** Land uses to the west include the Chevron Refinery which is located directly across Sepulveda Boulevard.
III. LAND USE PLAN

The Lakes 9-hole executive municipal golf course at 400 South Sepulveda Boulevard has been located on a 26.54 acre site since 1994. The golf course currently extends into a 3.58 acre portion of the Southern California Edison (SCE) property directly east of the site, which part is subject to a license agreement between the City of El Segundo and Southern California Edison. The 3.58 acre SCE area is not part of this Specific Plan and has a zoning designation of Open Space (OS) Zone which allows golf course uses. The existing golf course also has a two-level, 57-bay driving range, putting green and a 5,330 square-foot Pro Shop with an approximately 750 square-foot patio used for outdoor dining. The golf course also has a 1,775 square-foot maintenance building at the northernmost part of the site that will remain. The 5,330 square-foot Pro Shop and a 396 square-foot storage building would be demolished as part of the development authorized under The Lakes Specific Plan. The buildings would be replaced with a new smaller 2,500 square-foot Pro Shop with outdoor patio area. The driving range and putting green will also be demolished and replaced with a new target green, putting green and chipping green area. The 9-hole golf course would be redesigned to accommodate the construction of a new, approximately 66,300 gross square-foot commercial recreation and entertainment facility that would be constructed south of the existing 9-hole golf course. The development project will also involve the expansion of the parking lot onto a 0.67-acre portion of an abutting property owned by the West Basin Municipal Water District. The 0.67 acre West Basin Municipal Water District property is not a part of this Specific Plan. The West Basin property has a zoning designation of Public Facilities (P-F) Zone, which allows parking lots as an accessory use.

A. DEVELOPMENT CONCEPT

The Lakes Specific Plan establishes the general type, parameters and character of the development in order to develop an integrated Project area that is also compatible with and complements the surrounding area. The proximity of the Specific Plan Area to freeways, major arterials, and the Metro Rail makes it a regionally accessible and attractive recreation and entertainment facility in an ideal location to facilitate economic development in El Segundo.

The Lakes Specific Plan provides flexibility to modify and modernize existing uses and to add new compatible uses that are not currently permitted with standards that are tailored for the unique uses on the site. The Lakes Specific Plan establishes the following two subareas: Public Recreation/Open Space subarea; and Commercial Recreation/Open Space subarea.

B. LAND USE PLAN

The Lakes Specific Plan is based upon the following subareas (refer to Exhibit 5, Land Use Plan):

1. Public Recreation/Open Space (PUB-REC/OS) Subarea

The Public Recreation/Open Space (PUB-REC/OS) subarea of The Lakes Specific Plan is located on the northern parcel fronting onto Sepulveda Boulevard, totaling approximately 16.06 acres. The PUB-REC/OS subarea allows for several public recreation uses. The specific recreation uses are limited in this land use category as shown in the Specific Plan's
development regulations. The parcel currently contains a 9-hole executive golf course that will remain a permitted use under The Lakes Specific Plan, as shown in the conceptual site plan in Exhibit 6, Conceptual Site Plan. Additionally, the Pro Shop and the uses therein will become permitted uses.

In this subarea, a new 2,500 square foot Pro Shop with 1,010 square feet of outdoor patio/dining area will be constructed, which will replace an existing 5,330 square foot Pro Shop and 750 square foot outdoor patio/dining area. The Pro Shop will continue to have retail sales as well as food and alcohol service.

2. Commercial Public Recreation/Open Space (CPR/OS) Subarea

The Commercial Public Recreation/Open Space (CPR/OS) subarea of The Lakes Specific Plan is located on the southern parcel facing on both Sepulveda Boulevard, with a small “L-shaped” portion of the parcel facing on Hughes Way. The CPR/OS subarea measures approximately 10.48 acres in area, and allows a commercial recreation and entertainment facility, as well as other recreational uses allowed in the Public Recreation/Open Space subarea. A commercial recreation and entertainment facility is defined as a Private Commercial Recreation Facility that is open to the public (see ESMC § 15-1-6 for illustrative examples) that also includes supportive accessory uses as listed in Table VI-1, Allowable Uses of this Specific Plan. In this subarea, it is anticipated that a commercial recreation and entertainment facility will be constructed.

3. Conceptual Site Plan

Table III-1, Conceptual Land Use Summary, is a breakdown of the anticipated development of the site, implementing the uses and standards of this Specific Plan based upon the lot line adjustment. This summary is for both the Pro Shop on the Public Recreation/Open Space subarea and the commercial recreation golf and entertainment facility on the Commercial Public Recreation/Open Space subarea. The Conceptual Site Plan is shown in Exhibits 6A and 6B.
<table>
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<th>Land Use</th>
<th>Building Area (Net) (square feet)</th>
<th>Building Area (Gross) (square feet)</th>
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<td>CPR/OS</td>
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</table>
EXHIBIT 6B
CONCEPTUAL SITE PLAN
COMMERCIAL PUBLIC RECREATION/OPEN SPACE SUBAREA
EXHIBIT 7
PROPOSED LOT LINE ADJUSTMENT
C. PHASING

Construction of the commercial recreation and entertainment facility and parking lot expansion and modifications in the CR/OS subarea, as well as the modifications to the 9-hole municipal golf course and construction of the new Pro shop in the PR/OS subarea will be done concurrently in one phase over a period of 10 months to one year.

D. CIRCULATION

Regionally, the Specific Plan site is accessible from the San Diego freeway (405), Century Freeway (105), the Metro Green Line, and the major arterial Sepulveda Boulevard. The Specific Plan site has vehicular access points off of both Sepulveda Boulevard and Hughes Way. The Specific Plan will facilitate on-site circulation and parking. Access will be provided for emergency vehicles via the two vehicle access points and the parking lot. Development within the Specific Plan site would be required to provide infrastructure and facilitate access for various modes of travel including automobiles, bicycles, and pedestrians. Pedestrian and handicap access must be provided between buildings and to public sidewalks on the two street frontages along the site.

VEHICULAR CIRCULATION

**Sepulveda Boulevard.** Sepulveda Boulevard is an existing public major arterial street that abuts the property on its western edge. No additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. No additional curb cuts besides the one existing curb cut may be allowed along Sepulveda Boulevard.

**Hughes Way.** Hughes Way is an existing public secondary arterial street that abuts the property on its southern edge. No additional curb cuts besides the one existing curb cut may be allowed along Hughes Way.

NON-VEHICULAR CIRCULATION

Walkways will be provided connecting the various components within the Specific Plan area and the public sidewalk on Sepulveda Boulevard.

Bicycle parking facilities in the form of a mix of racks and bicycle enclosures in accordance with Municipal Code and California Green Building Code requirements will be provided in multiple locations in the Specific Plan area.

E. GRADING CONCEPT

Site grading includes cut and fill to create building pads and to partially redesign the existing 9-hole municipal golf course. The grading is estimated to result in approximately 5,500 cubic yards of soil export. Final grading plans will be approved by the City Engineer before the City issues a grading permit.
IV. EXISTING UTILITIES AND INFRASTRUCTURE

The following is a summary of existing and proposed public infrastructure for development of the site. All infrastructure will be constructed in accordance with the standards of the governing agency.

A. WATER SERVICE

EXISTING CONDITION

Water utility service is provided by the City of El Segundo and is currently available within the site. Water is purchased through West Basin Municipal Water District which is a member of The Metropolitan Water District of Southern California. The site is currently served by an existing 8-inch ductile iron water pipe that is connected to an existing 10-inch water line under Hughes Way on the south side and connected to an existing 8-inch water line under Sepulveda Boulevard on the west side.

Water for fire suppression is provided by on-site building sprinklers and from two off-site fire hydrants located on Sepulveda Boulevard.

PROPOSED CONDITION

Due to proposed grading for the project some portions of the existing 8” water line may require reconstruction to maintain proper depth of the pipe. Two new PVC water laterals will connect the existing 8” ductile iron water line to the proposed commercial recreation and entertainment facility building and the new Pro Shop building to supply water and fire water. Fire flows for the proposed building and new Pro Shop building will be based on County of Los Angeles Fire Department Land Development Unit Standards. A Conceptual Water Utility Plan has been developed for the Specific Plan area (refer to Exhibit 8, Conceptual Water Plan).
EXHIBIT 8
CONCEPTUAL WATER PLAN
B. RECLAIMED WATER

EXISTING CONDITION

Reclaimed water utility service is provided by the West Basin Municipal Water District from a treatment plant just south of the site and is already being used for landscaping the site. A current point of connection to the reclaimed water system is located on Hughes Way adjacent to the Southern California Edison property.

PROPOSED CONDITION

Future reclaimed water service is anticipated to be provided through the existing point of connection on Hughes Way. Points of connection will be based on West Basin Municipal Water District’s and the City of El Segundo’s input. A Conceptual Reclaimed Water Utility Plan has been developed for the Specific Plan area (refer to Exhibit 9, Conceptual Reclaimed Water Plan).

C. SEWER SERVICE

EXISTING CONDITION

Sewer utility service is provided by the City of El Segundo and the Sanitation Districts of Los Angeles County and is currently available within the site. The site is currently served by an existing sewer lateral that is connected to a public 8-inch VCP (verified clay pipe) sewer line at the southeast corner of the parking lot and flows southerly through the adjacent parcel and connects to an existing sewer line under Hughes Way.

PROPOSED CONDITION

The existing sewer lateral within the site will be abandoned. Two new laterals will be constructed to serve the proposed commercial recreation and entertainment building and the new Pro Shop building. Each will be connected to a new 8-inch sewer line that will extend from the terminus of the existing 8-inch public line at the southeast corner of the parking lot across the main drive aisle of the parking lot. A conceptual sewer plan has been developed for the Specific Plan area (refer to Exhibit 10, Conceptual Sewer Plan).
EXHIBIT 9
CONCEPTUAL RECLAIMED WATER PLAN
EXHIBIT 10
CONCEPTUAL SEWER PLAN
D. DRAINAGE

EXISTING CONDITION

The existing storm drains collect the storm water from the site and discharge into the existing public 48-inch RCP (reinforced concrete pipe) that runs along Sepulveda Boulevard, then along the south side of the site and turns east under Hughes Way to discharge into an existing City of El Segundo detention and infiltration basin southeast of the site.

Federal Emergency Management Agency (FEMA) map #06037C1770F shows this Project site is located within Zone X, which is described to be an area determined to be outside of the 0.2% annual chance floodplain. There are no Special Flood Hazards on-site.

PROPOSED CONDITION

A storm drain system is proposed for the new driving range and another system for the new buildings and parking area. The two systems will confluence at the south side of the proposed parking area and discharge into a proposed underground detention and infiltration system to be constructed under the parking lot. The detention system will discharge into the existing 48-inch RCP storm drain pipe at the south side of the site.

Storm Water Quality

The proposed detention/infiltration system will also function as a treatment system designed to remove or reduce pollutants of concern from the storm water before discharge from the site. The collected storm water will be pre-treated to remove trash and larger sediment particulates before entering the underground infiltration/detention storage system. The storm water quality design will be consistent with applicable Low Impact Development (LID) standards, which includes storage and infiltrate into the soil system within 48 hours. Drainage must comply with all applicable laws and regulations, including without limitation, the City’s National Pollution Discharge Elimination System (NPDES) Permit.

A Conceptual Drainage Plan has been developed for the Specific Plan area (refer to Exhibit 11, Conceptual Drainage Plan).
EXHIBIT 11
CONCEPTUAL DRAINAGE PLAN
E. GAS

EXISTING CONDITION

Natural gas service is provided by Southern California Gas Company and is currently available within the site.

PROPOSED CONDITION

The existing gas service will be abandoned by Southern California Gas Company and the future natural gas service will be provided through a public main line in Sepulveda Boulevard and the site will be serviced by a private gas service line secured by an easement granted to Southern California Gas Company for access and maintenance.

A conceptual plan has been developed for the Specific Plan area (refer to Exhibit 12, Conceptual Electric, Gas & Telecommunication Plan).

F. ELECTRIC

EXISTING CONDITION

Electric power is provided by Southern California Edison to the Specific Plan area through an underground utility conduit system.

PROPOSED CONDITION

A new underground utility conduit system within the site parking lot shall intercept the existing underground electric system and provide electrical power to the proposed improvements. An easement will be granted to Southern California Edison for access and maintenance. Final locations and points of connection for the electrical system will be based on a final approved Southern California Edison design. A conceptual plan has been developed for the Specific Plan area (refer to Exhibit 12, Conceptual Electric, Gas & Telecommunication Plan).

G. TELECOMMUNICATIONS UTILITIES

EXISTING CONDITION

Cable and telecommunication service is provided by Cox Communications (Cable TV) and Frontier Communications (Telephone) and is currently available through an underground dry utility system in Sepulveda Boulevard.

PROPOSED CONDITION

A new underground utility conduit system within the site parking lot will intercept the existing underground telecommunications system and provide services to the proposed buildings. An easement will be granted to the telecommunication companies for access and maintenance. Final
locations and points of connection for the telecommunications system will be based on a final approved design of the communications company. A conceptual plan has been developed for the Specific Plan area (refer to Exhibit 12, Conceptual Electric, Gas & Telecommunication Plan).

H. SOLID WASTE DISPOSAL

EXISTING CONDITION

Solid waste disposal is provided to recreational and commercial users by a variety of private haulers.

FUTURE CONDITION

Development within the Specific Plan area would contract with a provider. Landfill capacity is adequate for assumed population and commercial growth within Los Angeles County. Solid waste facilities within the Specific Plan area will comply with all ESMC requirements pertaining to building, fire, and zoning codes (e.g., adequate trash enclosures and screening).

I. FIRE PROTECTION

EXISTING CONDITION

The Specific Plan area is less than one mile from Fire Station 2, located at Mariposa Avenue and Douglas Street. The provision of water for fire suppression is provided by on-site building sprinklers and from 2 off-site fire hydrants located on Sepulveda Boulevard.

FUTURE CONDITION

Buildings will be sprinklered as required by the ESMC. Development will be required to pay fire impact fees to off-set the additional demand for municipal fire protection services as a result of the new development. If required, new fire hydrants will be provided in accordance with the El Segundo Fire Department.

J. POLICE SERVICES

EXISTING CONDITION

Police services are provided by the El Segundo Police Department which is located at 348 Main Street.

FUTURE CONDITION

Development will be required to pay police impact fees to off-set the additional demand for municipal police services as a result of the new development.
V. DESIGN GUIDELINES

These design guidelines are intended as “guidelines” instead of “development regulations.” During the review of any project proposed in this Specific Plan area, the Director of Planning and Building Safety, the Planning Commission and City Council may use discretion in applying these design guidelines. It is not anticipated that each guideline will apply equally to every project. One or more guidelines may have more design significance than another, depending on the nature of the proposed project. Consequently, strict compliance is not required. The overall objective is to establish criteria that enhance the coordination, organization, function and identity of the site, while maintaining a compatible relationship with the surrounding development of The Lakes Specific Plan.

A. DESIGN OBJECTIVES AND INTENT

Design guidelines for the Lakes Specific Plan will promote and reinforce the City’s commitment to high-quality development. The objectives of these guidelines are to:

• Provide for high-quality recreational development within the Specific Plan area.

• Promote orderly and predictable development.

• Encourage individual creativity and innovative solutions by allowing flexibility in how a particular guideline is met as long as the intent of the guideline is achieved.

• Ensure functional pedestrian, bicycle and motor vehicle circulation within the Project and convenient pedestrian and bicycle linkages to and from adjacent residential, commercial and industrial areas.

1. Site Planning

a. The arrangement of new buildings, parking and circulation areas should recognize the particular characteristics of the site and should create a cohesive identity.

b. Site development should utilize variations on building orientation and landscaping adjacent to the public streets so that a monolithic “wall” of building faces is not created.

c. The design and location of accessory buildings (e.g., maintenance and storage buildings, trash and recycling enclosures, and outdoor mechanical equipment enclosures) should be incorporated into and be compatible with the overall design of the Project and the main buildings on the site.
d. Appropriate linkages between internal Project components and buildings should be incorporated, including pedestrian walkways.

e. Buildings should be arranged to create opportunities for outdoor amenities (e.g., plazas, courtyards, outdoor eating areas, etc.) where appropriate.

f. Pedestrian walkways within the project shall be provided with admixture colored concrete and/or design that enhance and complement the project.

2. Access and Parking

a. A single entry driveway for shared vehicular use must be maintained on each public street frontage (one on Sepulveda Boulevard and one on Hughes Way).

b. Entry driveway areas should be clearly marked by identifying features, (e.g., prominent landscape features and well-designed monument-type signs).

c. Access to each building should be clearly visible to pedestrians and motorists through the use of signage, color, and/or design elements.

d. Surface parking lots adjacent to and visible from public streets should incorporate landscaping to minimize undesirable visual impacts.

e. Surface parking areas should be enhanced and visually broken up through the use of appropriate trees and landscape improvements.

f. Surface parking areas should include canopy trees spaced appropriately throughout the parking area to reduce the effects of heat gain.

g. Parking lot design is encouraged to include water quality storm water facilities consistent with City standards and a Water Quality Management Plan.
3. Architecture/Orientation/Massing

a. The massing, scale and architectural style should consider compatibility with the surrounding character and existing buildings to reflect a cohesive project area character.

b. The orientation of the newly constructed buildings should facilitate and encourage pedestrian activities.

c. The mass and scale of new buildings should be compatible with the existing and adjacent structures and with each other. This can be accomplished by transitioning from the height of adjacent buildings to the tallest elements of the new building, stepping back the upper portions of taller buildings, and incorporating human scale elements, such as pedestrian scaled doors, windows, and building materials on the ground floor.

d. Buildings should be divided into distinct massing elements and should be articulated with architectural elements and details. Changes in height, horizontal plane, materials, patterns and colors should be used to reduce building scale and mass.

e. Primary building entries should be easily identified through the use of prominent architectural elements, signage, landscaping, decorative hardscape, lighting, canopies, roof form, architectural projections, columns, vertical and/or horizontal elements, and other design features that help emphasize a building’s entry.

f. Building elevations, whether front, side, or rear, that are visible from public rights-of-way should be architecturally detailed to incorporate quality materials and architectural features that reflect the theme of surrounding structures and facades. Building entrances should be readily identifiable. The use of recesses, projections, columns, and other design elements to articulate entrances is encouraged.

g. Facades should be ‘divided’ by vertical and horizontal variations in wall planes, building projections, door and window bays, and similar elements. Building articulation should be present on the side and rear walls of the building, unless it is not visible to the public.

h. The exterior surfaces of buildings for the ground floor must be protected with anti-graffiti coating where appropriate.

4. Color and Materials

a. Colors and materials should be consistent and complementary throughout the Project area.
b. Exterior materials and architectural details should complement each other and should be stylistically consistent.

c. Building materials must be durable and resistant to damage, defacing, and general wear and tear. Acceptable building materials may include concrete, fiber cement siding, stone masonry, metal, stucco, glass and/or other contemporary composites.

d. Building materials that support sustainability through the use of environmentally sound building materials and local resources (e.g., locally available, contain high recycled-content, are reused, come from renewable sources, and that contain low volatile organic compound (VOC) levels) is highly encouraged.

5. **Screening and Mechanical Equipment**

a. All screening devices must be compatible with the architecture, materials and colors of the building.

b. Loading docks, bays and parking spaces, delivery service areas, outdoor storage areas, stand-alone mechanical equipment facilities, should be located and designed to minimize their visibility, circulation conflicts and adverse noise impacts. These facilities must be oriented so that they do not face any public rights-of-way or are screened from view. Sound attenuation walls must be used where appropriate to reduce noise where required by code or the Project’s environmental analysis.

c. Utility and mechanical equipment must be screened from view of public streets and nearby buildings on all sides with landscaping and/or architectural elements.

d. Rooftop mounted equipment visible from the surrounding area, adjacent buildings, and any public rights-of-way must be screened from public view and equipment should be painted to match the roof color when equipment is visible.
e. Trash and recycling receptacles areas must be completely screened from public view from public rights-of-way with solid walls, wood, and/or landscaping.

f. Ground mounted enclosures must be protected with anti-graffiti coating.

6. Landscaping

A Landscape Master Plan for the Specific Plan area must be provided to the City to provide for a unified concept within the Specific Plan area prior to the issuance of the first building permit.

General

a. All areas not covered by buildings, walkways, driveways, parking spaces, and service areas must be landscaped (with drought tolerant plantings and sustainable hardscapes in accordance with the City’s water conservation requirements).

b. Landscaping should enhance the quality of the Project by framing and softening the appearance of buildings, defining site functions, screening undesirable views and buffering incompatible uses.

c. Landscaping at the perimeter of buildings is encouraged to soften the transition between building and parking lot. Parking lot landscaping must be distributed evenly to provide for consistent design and shading.

d. Landscaped areas should generally incorporate a combination of planting materials utilizing a three tiered system consisting of: 1) trees, 2) shrubs or vines, 3) groundcover/ornamental grasses. Landscaping should be in scale with the adjacent buildings and be of appropriate size at maturity.

e. Placement of landscaping should not interfere with the lighting of the Project area or restrict access to utilities.

f. Landscaping should be utilized to define edges, buffer adjacent properties, screen parking areas and storage areas.

g. In order to reduce the heat-island effect, space parking lot trees to achieve shading at ratios required by the development regulations of this Specific Plan. Trees must adequately shade parking lots and provide sufficient area for water quality requirements.
h. Paving materials should include pervious hardscape materials to facilitate water treatment and reduce runoff.

i. Bio-retention areas can be used to detain/percolate run-off in planted swales, raised open-bottomed planters, etc.

On-site storm water capture system

j. Site furnishings including, but not limited to, fixed and moveable seating, trash and recycling receptacles, bike racks, and pedestrian scaled lighting should be of durable and sustainable materials.

k. Design and selection of site furniture should include considerations for the security, safety, comfort and convenience of the user.

8. Walls and Fences

a. Wall and fence design should complement the Project's architecture. Landscaping may be used to soften the appearance of the wall surface.

b. Wall and fencing materials must be made of a durable material. Wall and fencing materials may consist of wrought iron, tubular steel, stone, stucco, or brick. Solid walls should incorporate pilasters with decorative caps and offsets, consistent with the overall architecture.

c. Landscaping should be used to soften the appearance of the wall surfaces and deter graffiti.

d. Fencing for safety and security of the golf course and the outdoor target area at the commercial recreation and entertainment facility may utilize netting and/or chain link if approved in the site plan review process. Chain link fencing is not permitted in the public parking lot that is visible from any public rights-of-way.

e. Razor wire is not permitted.

f. Walls and fences must be protected with anti-graffiti coating.
9. **Lighting Design**

a. Pedestrian scale lighting should be present at all entries, plazas, courtyards, parking lots, pedestrian ways, and other areas where nighttime pedestrian activity is expected.

b. Lighting design of fixtures and their structural support should be architecturally compatible with the architecture of the Project.

c. When appropriate, wall-mounted lighting may be incorporated. Wall-mounted lights should be compatible with the building’s architectural style.

10. **Signage**

a. Unless specifically modified by this Specific Plan, all signage must comply with ESMC requirements.

b. Billboards, pole signs, and signs incorporating flashing or blinking lights are not permitted within this Specific Plan area.

c. The character of the signage, including the location, size, height, design and lighting must be in keeping with the architectural character and monument style of the overall Project.

d. Signs should make a positive contribution to the desired character of the Project and provide for clear identification and wayfinding.

e. Vehicle, bicycle, and pedestrian circulation throughout the Project site to parking and various destinations should be enhanced through a comprehensive system of directional signage and related wayfinding elements.
VI. DEVELOPMENT STANDARDS

Upon adoption of The Lakes Specific Plan, the development standards and procedures established herein become the governing zoning standards for land uses within The Lakes Specific Plan area, as specified for each subarea. In accordance with the requirements of the El Segundo Municipal Code, the development standards and use restrictions throughout the City shall govern the development, use and operation of the properties within The Lakes Specific Plan area, except as otherwise provided in The Lakes Specific Plan. In the case of a conflict between the applicable rules governing new development in the El Segundo Municipal Code and the spirit, intent or requirements of The Lakes Specific Plan, this Specific Plan shall govern. Where the Specific Plan is silent, the El Segundo Municipal Code shall apply.

A. PERMITTED USES

Table VI-1 (Allowable Uses) provides a listing of those uses which are permitted by right, are subject to Conditional Use Permit review, are subject to an Administrative Use Permit review, are permitted as an accessory use, and prohibited within the two subareas of this Specific Plan. The two subareas are the Public Recreation/Open Space (PUB-REC/OS) subarea and the Commercial Public Recreation/Open Space (CPR/OS) subarea. Uses not shown as Permitted, Conditionally Permitted, approval of an Administrative Use Permit, or Accessory are prohibited, unless the Planning and Building Safety Director makes a determination that a proposed use while not listed in the following table closely corresponds to a listed use which is permitted by right, as an accessory use to a permitted or conditionally permitted use, or which is permitted subject to the granting of a discretionary permit.

<table>
<thead>
<tr>
<th>Use</th>
<th>PUB-REC/OS</th>
<th>CPR/OS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cafes</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Comfort Stations</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Commercial golf entertainment facility</td>
<td>-</td>
<td>P</td>
</tr>
<tr>
<td>Concession Stands</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Conference room/Event space</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Entertainment, including live entertainment</td>
<td>-</td>
<td>A</td>
</tr>
<tr>
<td>General Offices</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>General Storage</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Golf Courses (including driving range)</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Maintenance Buildings/Facilities</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>On-site sale and consumption of alcohol at restaurants and cafes</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>On-site sale and consumption of alcohol at bars</td>
<td>-</td>
<td>C</td>
</tr>
<tr>
<td>Outdoor Dining</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Parking structures and surface parking lots</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Parks</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Recreational or multipurpose recreational building in conjunction with park and/or playground facilities</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Recreational Facilities (Public, Outdoor as defined in ESMC 15-1-6)</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Recreational Facilities (Private/Commercial as defined in ESMC 15-1-6) (except commercial golf entertainment facility)</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Restaurants, full service</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Restaurants, fast food</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Retail uses (excluding off site sale alcohol sales)</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Utility Facilities</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Video arcade machines</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Wireless Communications Facilities (Pursuant to ESMC Chapter 15-19)</td>
<td>AUP, C</td>
<td>AUP, C</td>
</tr>
<tr>
<td>Any use customarily incidental to a permitted use</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>All uses that are not permitted, conditionally permitted or determined to be similar uses as specified above.</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**AUP** Administrative Use Permit

**A** Permitted Accessory Use

**C** Conditional Use

**P** Permitted Use

**--** Not Permitted

### B. DEVELOPMENT STANDARDS

1. **Lot Area**
   
a. The minimum lot area is 10 acres.

2. **Height**
   
a. Buildings and structures within the PR/OS subarea cannot exceed 26 feet in overall height, as measured from the lowest finished grade covered by the building or structure.

   b. Buildings and structures within the CR/OS subarea cannot exceed 65 feet in overall height, as measured from lowest finished grade covered by the building or structure.

   c. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

   d. In both subareas, a maximum of 175 feet in overall height measured from
lowest finished grade is permitted for safety fences and netting and their associated support posts located on or adjacent to property lines as approved by site plan review.

3. Setbacks

a. Front Setback: In both subareas, buildings and structures must maintain a minimum setback of twenty-five feet (25’) from the property lines along Sepulveda Boulevard and Hughes Way. Visually permeable fences, safety netting and associated support poles may be located in the setback area, including on property lines as approved by site plan review.

b. Side Setback: In both subareas, buildings and structures must maintain a minimum setback of five feet (5’) from each side lot line. (Additional setbacks may be required depending on Building Code requirements that relate to type and height of the structure). Fences, walls, safety netting and associated support poles may be located in the setback area, including on property lines as approved by site plan review.

c. Rear Setback: In both subareas, buildings and structures must maintain a minimum setback of five feet (5’) from each rear lot line. (Additional setbacks may be required depending on Building Code requirements that relate to type and height of the structure). Fences, walls, safety netting and associated support poles may be located in the setback area, including on property lines as approved by site plan review.

d. “Architectural landscape features” including fountains, water features and waterfalls, free-standing arbors/pergolas, and similar features as determined by the Director of Planning and Building Safety, may encroach into the front, side and rear yard setback areas subject to site plan review, provided a minimum landscaped setback of three feet is maintained. The features may cover a maximum of twenty five percent of the total area of the setback, and be a maximum of twenty feet in height.

e. Exceptions to setback requirements are permitted subject to the requirements of ESMC § 15-2-7 Open Space Areas and Encroachments, and as permitted in Sections VI(D) and VI(E) of this Specific Plan.

4. Lot Frontage

a. A minimum of 100 feet of frontage on a dedicated public street must be provided for all lots.

5. Lot Coverage and Floor Area

a. Buildings and structures within the PR/OS subarea shall not cover more
than forty percent (40%) of the lot area.

b. The cumulative total size of all buildings and structures within the CR/OS subarea shall not exceed a floor area 0.147.

c. The Director of Planning and Building Safety has the authority to administratively allow an adjustment between the net square footage of listed land uses in each subarea set forth in Table III-1, provided that no adjustment results in a single land use increasing by more than ten percent (10%) and provided that, appropriate evidence is submitted substantiating that the increase will not result in a significant impact as determined by the Director.

6. Walls and Fences

a. All walls and fences must comply with ESMC § 15-2-4 except as otherwise specified in Section VI(B)(2)(d) of this Specific Plan.

7. Lighting

a. Lighting fixtures shall not exceed 65 feet in height, as measured from adjacent grade to the top of the fixture.

b. All lighting must prevent direct glare and spillover on to adjacent properties.

8. Ancillary Structures

a. Trash and recycling enclosures, outdoor storage areas, mechanical equipment enclosures, transformers and similar structures are permitted subject to the screening requirements contained in ESMC § 15-2-8 and the Design Guidelines in Section V.A(5) of this Specific Plan.

C. CIRCULATION

1. Transportation Demand Management (TDM) Plan, that identifies trip reduction methods in accordance with the guidelines set forth in ESMC Chapter 15-16 and Chapter 15-17, must be prepared for development within The Lakes Specific Plan area. A TDM Plan must be submitted for City review prior to issuance of a building permit.

2. Public streets must be designed and constructed in accordance with the General Plan and in the overall right-of-way size identified in the Street Classification and Standards (Exhibit C-8) in the Circulation Element of the General Plan or as exempted subject to the regulations in ESMC Chapter 15-24A Right of Way
Dedications and Improvements. No public or private streets are located within the Specific Plan area. This Specific Plan does not involve the extension or expansion of any right-of-way of the public streets adjoining the Specific Plan area which include Sepulveda Boulevard (a major arterial street that is a Caltrans owned State Highway Facility) and Hughes Way (a secondary arterial street).

D. PARKING AND LOADING

1. Parking and loading spaces must be provided in accordance with ESMC Chapter 15-15, except as provided below:

   a. The number of required parking spaces will be determined based upon review and approval of a Parking Demand Study subject to the criteria required in ESMC Chapter 15-15.

   b. The number of required parking spaces may be modified subject to the approval of a Transportation Systems Management Plan, as specified in the ESMC Chapter 15-16 “Developer Transportation Demand Management.”

   c. Off-site parking is permitted in areas east of Sepulveda Boulevard. The parking must be located within 1,000 feet of the boundary of The Lakes Specific Plan area unless otherwise approved by the City Council. A written agreement must be executed by all parties concerned, to the satisfaction of the Director of Planning and Building Safety and the City Attorney assuring the continued availability of the number of stalls located off-site. Reciprocal access easements or covenants must be recorded for contiguous lots before issuance of a building permit and must be shown or noted on the applicable site plans.

   d. Parking lots and driveways may straddle lot lines subject to the provisions contained in a reciprocal parking and access easement or covenant. Driveways that connect parking lots with a right-of-way may encroach into a required landscape setback on interior and/or rear property lines. Such documents must include provisions for maintenance.

2. Required parking stalls may encroach into the required setbacks (specified in Section VI(B)(3) of the Lakes Specific Plan), provided that a minimum 3-foot landscaped buffer is provided and maintained between the property lines and the paved portions of the parking stalls.

3. Preferential parking must be provided for carpools and vanpools.

E. LANDSCAPING

This section will ensure that adequate landscaping area and permanent maintenance is provided for the development. This mandate is also in accordance with the City’s requirements to landscape commercial and recreational areas.

Landscaped areas must be provided and permanent irrigation systems installed in the landscaped areas at: 1) around the perimeter of the buildings in the setbacks, 3) within the required setbacks along the property perimeter and, 4) in the Vehicular Use Areas (VUAs) as defined in ESMC §15-1-6.

A Landscape Master Plan must be prepared for The Lakes Specific Plan area to ensure a unified appearance implementing the intent of the Design Guidelines and objectives of this Specific Plan. The Landscape Master Plan must be submitted to the City prior to approval of the first site plan review within the Specific Plan area.

ALL LANDSCAPING

1. Landscaping must conform to the City’s Water Conservation in Landscaping requirements as set forth in ESMC 15-15A.

BUILDING PERIMETER LANDSCAPING

1. Except as otherwise allowed by this Plan, a minimum horizontal depth of five feet of landscape materials, excluding curbs, must be provided around each building except for entrances to buildings and any other required paved areas. In instances where two buildings are separated by ten feet, the landscape requirement may be reduced to allow for pedestrian walkways/access.

PROPERTY PERIMETER LANDSCAPING

1. An average of one shade tree must be provided for every 25 feet of street frontage adjacent to parking lot areas.

2. There shall be a minimum landscaped perimeter of three feet along Sepulveda Boulevard and Hughes Way.
VEHICULAR USE AREAS

1. Vehicular Use Areas (VUA) include parking lots and loading areas. Landscaping in the VUAs must cover a minimum of five percent of the VUA and be distributed uniformly throughout the VUA. Such landscaping is in addition to the required property perimeter and building perimeter landscaping. The figure to the right represents a typical parking area within the Specific Plan.

   a. A minimum of a three foot landscape buffer must be provided at all parking lot edges to screen parking lots and provide shading.

   b. Planting areas containing trees must have a minimum width of five feet except for existing planting areas along the property perimeter abutting Sepulveda Boulevard and Hughes Way where the minimum width may be three feet. Trees are required to provide shade.

F. PUBLIC SAFETY

In an effort to ensure the safety of employees and visitors to The Lakes Specific Plan area, the following strategies must be incorporated into site development:

1. Lighting must be adequate throughout the Specific Plan area and shielded to minimize off-site illumination. Submittal of photometric studies is required as part of any site plan review submittal which includes parking lots, and parking structures in the Specific Plan area.

2. The site design and operation must comply with fire and police safety regulations with regard to site layout, building configurations, landscape design, and infrastructure requirements.

3. Street lighting must be provided in accordance with ESMC requirements.
G. SIGNAGE

1. The following signs are not permitted within the Specific Plan area:
   - Billboards, as defined in the ESMC; and
   - Pole signs; and
   - Signs incorporating flashing or blinking lights.

2. A Master Sign Program for the Specific Plan area must be developed and submitted for review and approval by the Director of Planning and Building Safety prior to installation of signs within the Specific Plan area. The Master Sign Program must include the following elements:
   - Master signage (entryways, common sign design throughout the Specific Plan area);
   - Sign standards developed for the uses allowed under the Specific Plan;
   - Provisions for way finding and decorative elements such as banners;
   - General features that all signs are required to comply with; and
   - Regulations for temporary signs (including construction signs).

3. One monument sign is permitted along Sepulveda Boulevard, which must comply with the following standards:
   i. The maximum height shall be limited to not more than 20-feet in height (as measured from lowest grade adjacent to the sign to the highest point of the monument sign);
   ii. The maximum sign area per side is limited to 200 square feet;
   iii. The monument sign must advertise both uses in the Specific Plan area;
   iv. The monument sign must be included in the Master Sign Program; and,
   v. Any increase to the height or sign area shall be subject to review through an AUP.

4. All other signage within The Lakes Specific Plan area must conform to the signage regulations of the ESMC except as established and approved in a Master Sign Program for the Specific Plan.

H. SUSTAINABILITY

1. All new development must have buildings designed to be energy efficient to meet or exceed Title 24 requirements.
2. Parking lot areas must include Stormwater management practices that treat Stormwater runoff from 90% of the average rainfall on the site using structural and non-structural management measures.

3. Bicycle parking must comply with the ESMC and Green Building Code.

4. Exterior lighting must be energy efficient and designed to minimize light pollution.

5. Low-emitting building materials must be utilized.

6. Reclaimed water must be utilized for all landscaped areas if available and feasible.

I. ENCLOSED USES

All uses must be conducted wholly within an enclosed building or structure except for the following:

1. Mechanical equipment provided it complies with the requirements of ESMC § 15-2-8.

2. Outdoor restaurants and cafes incidental to the permitted use, provided they comply with the provisions of ESMC §15-2-16.

3. Recreational facilities customarily conducted in the open.

5. Wireless communications facilities (including antennas, and dishes) provided they comply with the requirements of ESMC Chapter 15-19.

6. Entertainment, provided it complies with the requirements and standards contained in ESMC Chapter 7-2.

7. Other ancillary uses as determined by the Director of Planning and Building Safety.
VII. ADMINISTRATION

A. INTRODUCTION

Unless regulated by this Specific Plan, development will be administered and enforced by the City in accordance with the ESMC. This Specific Plan supersedes any conflicting ESMC zoning regulation.

1. The Director of Planning and Building Safety may grant administrative use permits in accordance with ESMC Chapter 15-22.

2. The Director of Planning and Building Safety may make other administrative determinations using the same procedures set forth in ESMC Chapter 15-22.

3. The Director of Planning and Building Safety may grant adjustments and administrative adjustments in accordance with ESMC Chapter 15-24.

4. The Planning Commission may grant conditional use permits in accordance with ESMC Chapter 15-23.

B. MUNICIPAL CODE REFERENCES

All section references in the Specific Plan refer to the El Segundo Municipal Code (ESMC) as adopted at the time of building permit application submittal.

C. MODIFICATIONS

1. Major Modifications

Any proposed modifications or changes to this document that would substantially alter the requirements contained in this document shall require an amendment to The Lakes Specific Plan. Major Modifications requiring an amendment to this Specific Plan include, without limitation:

a. Any decrease in the required building setbacks as set forth in Section VI.B.3 above;

b. Any increase in the total developable square footage of the entire Specific Plan in excess of the maximum allowed under the Specific Plan;

c. Any increase in height of buildings or structures on the Property above the limits set forth in the Specific Plan except for fencing and associated posts for the municipal golf course and other safety netting in the side yards and rear yards as allowed in this Specific Plan;
d. Any change to a use which is not permitted under the Specific Plan, except as approved by the Director in accordance with Chapter 15-22 of the ESMC;

e. Any change in the land use plan categories identified in Exhibit 5 of this plan;

f. Any decrease in the minimum required lot area;

g. Any decrease in the minimum required lot frontage;

h. Any material modification that requires modification to the EIR other than an Addendum; and

i. Any modification determined by the Director of Planning and Building Safety as a major modification and requiring amendment to this Specific Plan.

2. Minor Modifications

Any modification to this Specific Plan not listed above as a “major modification,” including a use approved subject to an Administrative Use Permit, is a Minor Modification. Upon the administrative approval of the Director of Planning and Building Safety or designee, Minor Modifications to this Specific Plan may be made, provided that such modifications are consistent with the Development and Design Standards, Applicable Rules, and Project Approvals. Such Minor Modifications may include, without limitation:

- Adjustments, Administrative Adjustments, Administrative Determinations subject to the requirements in Section VII.A, above.

- Modifications to the conceptual infrastructure plans

D. SITE PLAN REVIEW

1. Overview

A Site Plan Review (“SPR”) is required for any development proposed in the Specific Plan area and an application shall be filed with the Department of Planning and Building Safety.

2. Application for Site Plan Review - Contents

The Site Plan Review Application must conform to the following. The number of copies required for submittal will be determined by City policy at time of submittal:

a. Plans and landscape plans for projects must be prepared by a registered architect and a licensed landscape architect respectively.
b. Site Plan. A fully dimensioned site plan, drawn to scale and showing:

1. Location of existing and proposed structures, including signs, showing dimensions from property line;
2. Location, size and species of existing trees or natural attributes;
3. Location of off-street parking. The number of parking spaces (specifying handicapped, compact and regular spaces), type of paving, direction of traffic flow, parking stall dimensions, and areas for turning and maneuvering vehicles;
4. Location and dimension of driveway approaches, street and highway dedications (if applicable), and off-street loading areas;
5. Refuse disposal and recycling;
6. Location, height, and material of existing and/or proposed fences and walls;
7. Means of screening all vents, pipes, antennas and machinery placed on roofs;
8. Location, height and specifications of all existing and/or proposed exterior lighting;
9. Location of all utility pipes, valves, vaults and similar appurtenances; and
10. Location of structures on abutting lots showing dimensions to property line.
11. Any other information deemed necessary by the Director of Planning and Building Safety.

c. Photometric Analysis for parking lots and parking structures.

d. Elevation Drawings. Elevation drawings dimensioned and fully illustrating all sides of the proposed structures. These drawings must include:

1. Location of signs and size, height, color, material and type of illumination of all signs. A Master Sign Plan must be submitted when the development includes two or more tenant spaces;
2. Location, size and style of architectural features, such as awnings, doors, windows and other wall openings; and
3. All exterior materials and their colors.

e. Landscape Plan. A preliminary landscape plan showing the location and design of the following listed items:

1. Existing trees (by species and size) proposed to be retained, removed or relocated on the site;

2. Landscaped areas and the numbers, varieties and sizes of plant materials to be planted therein and all other landscape features;

3. Softscape, hardscape (walkways, paving, textured concrete) and lighting; and

4. All submittal material required by ESMC Chapter 10-2.

f. Colors and Materials. A materials and colors board showing all colors and materials, with color chips and textures keyed to the principal plan elements where those components are found.

g. Floor Plans (fully dimensioned).

h. Photo Board. Showing subject site, and all surrounding properties.

i. Rendering/Illustration. One set of color elevation drawings or a color rendering. The Director of Planning and Building Safety may require, at his/her discretion, a computer model where such is necessary to evaluate scale, massing and architectural treatment.

3. Site Plan Review – Procedure

a. The Director of Planning and Building Safety must review the application to ensure there is consistency with the Specific Plan within 45 days after the Director deems the application complete in accordance with Government Code section 65940 et seq.

a. The Site Plan Review process is discretionary and is subject to the requirements of the California Environmental Quality Act (CEQA).

b. The Site Plan Review must be scheduled for public hearing before the Planning Commission within the time limits established by applicable Government Code Sections, which can include, but are not limited to the Permit Streamlining Act (Government Code § 65920 et seq.) and the California Environmental Quality Act (CEQA) (Public Resources Code § 21000 et seq.). Notice of public hearings must be given in accordance with
ESMC Section 15-27-5. The Planning Commission must render its decision in writing, either approving, approving with conditions, or denying the Site Plan Review application, and stating the reasons for such action. The decision of the Planning Commission is final unless appealed to the City Council.

c. Any aggrieved person may appeal the Planning Commission’s decision to the City Council. Such appeal must be filed in writing with the Department of Planning and Building Safety within ten days after the date of the written decision by the Planning Commission. Upon receipt of such an appeal and the payment of the appropriate filing fee, the matter must be scheduled for consideration by the City Council in accordance with ESMC Chapter 15-25.

d. The Site Plan is valid for two years from the date of approval. If construction does not commence within such time, but the applicant has diligently pursued the Project plan review process, the Director of Planning and Building Safety may extend the Site Plan approval for up to two additional years.

e. After the Site Plan is approved, the Director of Planning and Building Safety may approve minor changes in the Site Plan or its conditions if the Director finds that there are practical reasons for such changes, that such changes do not substantially vary from the previously approved site plan and applicable law and that such changes do not involve deviations from the design’s intent.

4. Site Plan Review Criteria

The purpose of the Site Plan Review procedure is to ensure that the development provides a cohesive visual identity and coordinated design character for the Specific Plan area of high quality. The overall coordinated design character must be expressed in the site planning, architecture, landscaping, lighting, and signage. The architectural design is to be compatible in character, massing and materials consistent with the conceptual plan depicted in this Plan.

In approving the Site Plan Review the Planning Commission, or City Council on appeal, must consider the following factors:

a. The dimensions, shape and orientation of the parcel;

b. The placement of buildings and structures on the parcel;

c. The height, setbacks, bulk and building materials;

d. The building materials and design;
e. The distance between buildings or structures;

f. The location, number and layout of off-street parking and loading spaces;

g. The internal vehicular patterns and pedestrian safety features;

h. The location, distribution, amount and type of landscaping materials and the sustainability of the landscaping material with the El Segundo climate in compliance with the applicable climate zone;

i. The placement, photontetrics, height and direction of illumination of light standards;

j. The location, number, size and height of signs;

k. The location, height and materials of walls, fences or hedges;

l. The location and method of screening refuse and storage areas, roof equipment, pipes, vents, utility equipment and all equipment not contained in the main buildings of the development;

m. Compliance with all applicable development standards including, but not limited to, height, setbacks, FAR, and off-street parking requirements; and,

n. Consistency with the Design Guidelines of this Specific Plan.

5. Approval Criteria

The Planning Commission, or City Council on appeal, may approve the Site Plan Review if it finds that the proposed development, with conditions if necessary, is consistent with this Specific Plan.

6. Exempt Activities

The following is a list of activities which are exempt from the Site Plan Review process. This list is not all-inclusive; the Director of Planning and Building Safety may exempt other activities not listed that constitute minor changes to an approved Site Plan:

a. All interior changes and alterations

b. Exterior mechanical equipment (heating, air conditioning, water heater, transformers) designed with mechanical equipment screening compatible with the architecture of the building to which it is adjacent or affixed.

c. Minor exterior repairs with the same or similar types of building materials as determined by the Director of Planning and Building Safety.
d. Re-glazing new mullions.

e. Re-landscaping consistent with the landscape palette.

f. Repainting.

g. Reroofing with similar style roofing materials.

E. AMENDMENT

In accordance with the Government Code §§ 65450-65457, Specific Plans must be prepared, adopted and amended in the same manner as General Plans except that Specific Plans may be adopted by resolution or by ordinance.

This Specific Plan may be amended as necessary by ordinance. Said amendment or amendments do not require a concurrent General Plan amendment unless the Director of Planning and Building Safety determines that the proposed amendment would substantially affect General Plan goals, policies, objectives or programs.

F. CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

The Lakes Specific Plan and related entitlements were approved in accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines (Guidelines), and City policies adopted to implement the CEQA and the Guidelines.
APPENDIX A

THE LAKES SPECIFIC PLAN LEGAL DESCRIPTION

PARCEL A:

IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING PARCEL 1 OF PARCEL MAP NO. 17749 AS SHOWN ON A MAP RECORDED IN BOOK 207, PAGES 56 TO 60, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY TOGETHER WITH THE LAND DESCRIBED IN A GRANT DEED RECORDED JULY 18, 1995 AS INSTRUMENT NO. 95-1161504, OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THE LAND DESCRIBED IN A GRANT DEED RECORDED MARCH 12, 1999 AS INSTRUMENT NO. 99-0411887, OF OFFICIAL RECORDS.

THE ABOVE DESCRIBED PARCEL CONTAINS 25.757 ACRES, MORE OR LESS,

PARCEL B:

IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THE LAND DESCRIBED IN A GRANT DEED RECORDED JUNE 19, 1996 AS INSTRUMENT NO. 96-967352, OF OFFICIAL RECORDS.

THE ABOVE DESCRIBED PARCEL CONTAINS 34,358 SQUARE FEET, MORE OR LESS.
Planning Commission Resolution No. 2820, recommending that the City Council certify the EIR for The Lakes Specific Plan and Topgolf facility project (without attachments)
PC RESOLUTION NO. 2820

A RESOLUTION OF THE PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL CERTIFY THE ENVIRONMENTAL IMPACT REPORT, MAKE CERTAIN ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND ADOPT A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT (ENVIRONMENTAL ASSESSMENT NO. EA-1135, SPECIFIC PLAN NO. SP 16-02, GENERAL PLAN AMENDMENT NO. GPA 16-01, ZONE CHANGE NO. ZC 16-01, ZONE TEXT AMENDMENT NO. ZTA 16-04, SITE PLAN NO. 16-01, LOT LINE ADJUSTMENT NO. SUB 16-03, AND CONDITIONAL USE PERMIT NO. CUP 16-05) LOCATED AT 400 SOUTH SEPULVEDA BOULEVARD.

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

A. On June 20, 2016, CenterCal Properties, LLC, filed an application for Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05 for approval of a specific plan and related discretionary entitlements to facilitate a development project at the Lakes golf course consisting of replacing an existing driving range and hitting bays with a three-story golf-themed commercial recreation and entertainment facility, including hitting bays, a restaurant/bar, and other supporting accessory uses to be operated under the "Topgolf" brand. Additional project improvements include demolition of the existing clubhouse and reconstruction of a smaller clubhouse, modification of the fairways and layouts of three holes at the existing 9-hole executive golf course, new golf course lighting, and modification and expansion of the existing parking to accommodate additional parking to serve the facility;

B. After submittal of additional information, Staff deemed the project applications complete on August 31, 2016;

C. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000 et. seq. ("CEQA"), the State's CEQA Guidelines, California Code of Regulation, Title 14, Section 15000 et. seq., the City's Local CEQA Guidelines (City Council Resolution No. 2805, adopted March 16, 1993), and Government Code Section 65962.5(f) (Hazardous Waste and Substances Statement), the City of El Segundo prepared an Environmental Impact Report (State Clearinghouse Number 2016091003) (the "EIR");
D. The City prepared an Initial Environmental Study (the "Initial Study") for the Project pursuant to Section 15063 of the CEQA Guidelines, and on September 1, 2016, the Initial Study (IS) and Notice of Preparation (NOP) were released to the public and public agencies for a comment period of 33 days (through October 3, 2016). On September 1, 2016, a Public Notice was mailed to property owners within a 300-foot radius from the subject property, the Notice was published in the El Segundo Herald, and the Notice was posted on the City's website. Lastly, a copy of the Initial Study was made available at the public counter at City Hall and the local library, and was made available on the City's website for the public to download and review;

E. On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to provide verbal comments on the IS/NOP;

F. After the NOP comment period ended, the Draft EIR was prepared taking the comments into account. After completing the Draft EIR, the document was made available to the public on January 26, 2017 for a 47-day public comment period that concluded on March 13, 2017;

G. On February 2, 2017, City Staff hosted a noticed public commenting session to provide the public with an opportunity to submit verbal comments, in addition to the typical written comments, on the Draft EIR. Advertisement of the public commenting session was provided by a Notice published in the El Segundo Herald, a Notice mailed to all property owners within a 300-foot radius, a Notice posted at The Lakes clubhouse facility, and a Notice was posted on the City's website;

H. On May 25, 2017, the Final EIR was completed and Notice was provided via mail to all property owners within a 300-foot radius of the subject site, and on May 25, 2017 a Notice was published in the El Segundo Herald announcing that a public hearing was scheduled with the Planning Commission on June 8, 2017 to review the Final EIR and the entitlement applications for the proposed project;

I. On June 8, 2017, the Planning Commission conducted a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City staff and public testimony, and the applicant;

J. On June 8, 2017, at the request of the Applicant, the Planning Commission continued the public hearing to June 22, 2017;
K. On June 22, 2017, the Planning Commission continued the public hearing to July 13, 2017; and,

L. This Resolution and its findings are made based upon the testimony and evidence presented to the Commission at its June 8, 2017 hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Environmental Assessment. The Planning Commission makes the following environmental findings:

A. Pursuant to CEQA Guidelines Sections 15064 and 15081, and based upon information contained in the Initial Study, the City ordered the preparation of an Environmental Impact Report ("EIR") for the Project. The City contracted with independent consultants for the preparation of the technical studies for the EIR and on September 1, 2016, prepared and sent a Notice of Preparation of the EIR to responsible, trustee, and other interested agencies and persons in accordance with Guidelines Section 15082(a). Comments on the Notice of Preparation were accepted during the 33-day comment period ending on October 3, 2016. During the scoping period, the City held an advertised public meeting on September 8, 2016, to facilitate public input regarding the scope of the EIR.

B. The City completed the Draft EIR, together with those certain technical studies (the "Appendices"), on January 26, 2017. The City circulated the Draft EIR and the Appendices to the public and other interested parties from January 26, 2017 through March 13, 2017, for a 47-day comment period. In addition to receiving written comments submitted during this time, public comments were received at an advertised public commenting session on February 2, 2017. Advertisement of the public commenting session was provided by a Notice published in the El Segundo Herald, a Notice mailed to all property owners within a 300-foot radius, a Notice posted at The Lakes clubhouse facility, and a Notice was posted on the City's website.

C. During the Draft EIR public comment period, including at the February 2, 2017 public commenting session, the City received numerous letters and comments. Responses to each of the individual comments were prepared and made available on May 25, 2017. The comments and responses are part of section 11.3 of the Final EIR, and are incorporated herein by reference. The written responses to comments were made available for public review in the Planning and Building Safety Department, at the El Segundo Public Library and on the City's website. After reviewing the responses to comments, the revisions to the Draft EIR, and the Final EIR, the Planning Commission finds that the information and issues raised by the comments and the responses thereto do not constitute significant new information requiring recirculation of the EIR.
D. The Final EIR is comprised of the Draft EIR, an errata thereto, comments and recommendations received on the Draft EIR, a list of persons, organizations and public agencies commenting on the Draft EIR, the City’s Responses to Comments, and the Mitigation Monitoring and Reporting Program.

E. The Planning Commission has independently reviewed and considered the content of the Final EIR, all written and oral public communications, and all other evidence before the Commission prior to making a recommendation to the City Council on the proposed project. The Planning Commission hereby finds that the Final EIR has been completed in compliance with CEQA and reflects the independent judgment of the City. Although minor revisions have been made to the Draft EIR in response to comments received during the public process, no significant new information has been added to the EIR since public notice was given of the availability of the Draft EIR for public review. Consequently, recirculation of the EIR is not required pursuant to Section 15088.5 of the CEQA Guidelines.

F. The comments regarding the Draft EIR and the responses to those comments were received by the Commission; that the Planning Commission received documents and public testimony regarding the adequacy of the EIR; and the Planning Commission has reviewed and considered all such documents, testimony and the Final EIR prior to making its recommendation to the City Council on the Project. In accordance with Guidelines Section 15090, the Planning Commission hereby finds that the Final EIR has been completed in compliance with CEQA and reflects the independent judgment and analysis of the City.

G. Based upon the Final EIR and the record before the Planning Commission, the Commission finds the Project will not cause any significant environmental impacts after mitigation. Detailed explanations for why the impacts were found to be less than significant are contained in the draft Findings of Fact attached as Exhibit A to this Resolution.

H. The EIR describes, and the Planning Commission fully considered, a reasonable range of alternatives to the Project. On the whole, the proposed Project is environmentally superior to other feasible alternatives. Thus, all other alternatives and variations are infeasible or not environmentally preferable for the reasons set forth in the Findings of Fact.

I. On the basis of the FEIR and the record of proceedings in this matter, the Commission finds that the proposed Project would not result in temporary or permanent significant and unavoidable effects for any of the environmental issue areas identified in Appendix G of the State CEQA
Guidelines. Therefore, no Statement of Overriding Considerations is necessary.

SECTION 3: Recommendation. Based on the foregoing findings and on substantial evidence in the administrative record as a whole, the Planning Commission hereby recommends that the City Council adopt the Findings of Fact attached hereto as Exhibit A and incorporated herein by this reference, certify the Final Environmental Impact Report, and adopt the Mitigation Monitoring and Reporting Program attached hereto as Exhibit B and incorporated herein, for The Lakes Specific Plan and Topgolf Project.

SECTION 4: Reliance on Record. Each and every one of the findings and determinations in this Resolution is based on the competent and substantial evidence, both oral and written, contained in the entire administrative record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 5: Limitations. The Planning Commission's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the Planning Commission's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 6: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 7: The Commission secretary is directed to mail a copy of this Resolution to Centercal Properties, LLC, and to any other person requesting a copy.

SECTION 8: This Resolution is the Planning Commission's final decision and will become effective immediately upon adoption.
PASSED, APPROVED AND ADOPTED this 13th day of July 2017.

/s/ Ryan Baldino
Ryan Baldino, Chair
City of El Segundo Planning Commission

ATTEST:

/s/ Sam Lee
Sam Lee, Secretary

Baldino - Aye
Hoeschler - Aye
Newman - Aye
Nicol - Aye
Wingate - Aye

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: /s/ Gregg Kovacevich
Gregg Kovacevich, Assistant City Attorney
Planning Commission Resolution No. 2821, recommending that the City Council adopt an Ordinance and approved the applications associated with The Lakes Specific Plan and Topgolf facility project (without attachments)
PC RESOLUTION NO. 2821

A RESOLUTION OF THE PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL CONDITIONALLY APPROVE ENVIRONMENTAL ASSESSMENT NO. EA-1135, SPECIFIC PLAN NO. SP 16-02, GENERAL PLAN AMENDMENT NO. GPA 16-01, ZONE CHANGE NO. ZC 16-01, ZONE TEXT AMENDMENT NO. ZTA 16-04, SITE PLAN NO. 16-01, LOT LINE ADJUSTMENT NO. SUB 16-03, AND CONDITIONAL USE PERMIT NO. CUP 16-05 FOR THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT, LOCATED AT 400 SOUTH SEPULEDAD BOULEVARD.

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

A. On June 20, 2016, CenterCal Properties, LLC, filed an application for Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05 for approval of a specific plan and related discretionary entitlements to facilitate a redevelopment project at the Lakes golf course consisting of replacing an existing driving range and hitting bays, with a three-story golf-themed commercial recreation and entertainment facility, including hitting bays, a restaurant/bar, and other supporting accessory uses to be operated under the "Topgolf" brand. Additional project improvements include demolition of the existing clubhouse and reconstruction of a smaller clubhouse, modification of the fairways and layouts of three holes at the existing 9-hole executive golf course, new golf course lighting, and modification and expansion of the existing parking to accommodate additional parking to serve the facility;

B. After submittal of additional information, Staff deemed the project applications complete on August 31, 2016;

C. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000 et. seq. ("CEQA"), the State's CEQA Guidelines, California Code of Regulation, Title 14, Section 15000 et. seq., the City's Local CEQA Guidelines (City Council Resolution No. 2805, adopted March 16, 1993), and Government Code Section 65962.5(f) (Hazardous Waste and Substances Statement), the City of El Segundo prepared an Environmental Impact Report (State Clearinghouse Number 2016091003) (the "EIR");
D. The City prepared an Initial Environmental Study (the “Initial Study”) for the Project pursuant to Section 15063 of the CEQA Guidelines, and on September 1, 2016, the Initial Study (IS) and Notice of Preparation (NOP) were released to the public and public agencies for a comment period of 33 days (through October 3, 2016). On September 1, 2016, a Public Notice was mailed to property owners within a 300-foot radius from the subject property, the Notice was published in the *El Segundo Herald*, and the Notice was posted on the City’s website. Lastly, a copy of the Initial Study was made available at the public counter at City Hall and the local library, and was made available on the City’s website for the public to download and review;

E. On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to provide verbal comments on the IS/NOP;

F. After the NOP comment period ended, the Draft EIR was prepared taking the comments into account. After completing the Draft EIR, the document was made available to the public on January 26, 2017 for a 47-day public comment period that concluded on March 13, 2017;

G. On February 2, 2017, City Staff hosted a noticed public commenting session to provide the public with an opportunity to submit verbal comments, in addition to the typical written comments, on the Draft EIR. Advertisement of the public commenting session was provided by a Notice published in the *El Segundo Herald*, a Notice mailed to all property owners within a 300-foot radius, a Notice was posted at The Lakes clubhouse facility, and a Notice was posted on the City’s website;

H. On May 25, 2017, the Final EIR was completed and Notice was provided via mail to all property owners within a 300-foot radius of the subject site, and on May 25, 2017 a Notice was published in the *El Segundo Herald* announcing that a public hearing was scheduled with the Planning Commission on June 8, 2017 to review the Final EIR and the entitlement applications for the proposed project;

I. On June 8, 2017, the Planning Commission conducted a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City staff and public testimony, and the applicant;

J. On June 8, 2017, at the request of the Applicant, the Planning Commission continued the public hearing to June 22, 2017;

K. On June 22, 2017, the Planning Commission continued the public hearing to July 13, 2017; and,
L. This Resolution and its findings are made based upon the testimony and evidence presented to the Commission at its June 8, 2017 hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Findings of Fact and Conclusions. The Commission finds as follows:

A. The project site consists of three areas totaling approximately 31 acres, comprised of the 26.54-acre Lakes at El Segundo golf course, a 3.58-acre portion of the abutting SCE property to the east of the golf course, and a 0.67-acre portion of the abutting West Basin Municipal Water District property to the south of the golf course, generally located at 400 South Sepulveda Boulevard, in the southeast quadrant of the City of El Segundo;

B. The proposed project includes The Lakes Specific Plan and a new Topgolf facility. The associated applications consists of:
   (i) Environmental Assessment No. EA-1135, to certify and approve a Final Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);
   (ii) General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from "Parks", to "The Lakes Specific Plan";
   (iii) Zone Change No. ZC 16-01, to change the underlying Zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) measuring 16.06-acres and CPR/OS (Commercial Public Recreation/Open Space) measuring 10.49-acres;
   (iv) Specific Plan No. SP 16-02, to create a new specific plan for the Lakes at El Segundo golf course that specifies the uses permitted within the Specific Plan area, and establishes development standards tailored to the unique recreation and entertainment uses for the specific plan area;
   (v) Zone Text Amendment No. ZTA 16-04, to add the new TLSP (The Lakes Specific Plan) Zoning designation to the Zoning Code;
   (vi) Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course. Specifically, the development includes:
      a) Replacing the existing driving range with a three-story approximately 67,170 gross square-foot Topgolf commercial recreation and entertainment facility. The new facility would measure approximately 55-feet in overall height, and will include a 32,309 square-foot hitting bay and seating/waiting area, which consists of private suites. From these hitting bays, players would hit balls into an open area that would be surrounded by netting and
support poles (up to 175 feet in height) that are designed to block/contain errant balls. The facility would also include 10,024 square feet of restaurant, bar, and kitchen space; 3,144 square feet of meeting and event space; 2,439 square feet of office space; 1,895 square feet of lounge space; 1,365 square feet of lobby space; and approximately 15,994 square feet of storage, circulation, and miscellaneous space. An approximately 3,000 square foot outdoor terrace on the third floor of the building is also proposed, and would be used for entertainment involving live music from a band or disc jockey (DJ). All DJ’s and bands would be required to connect to the facility’s in-house sound system and speakers, allowing the ability to control the volume and other sound levels. All overhead speakers would be oriented inward and down to the facility’s floors. Lastly, the driving range grass would be replaced with a high density fiber turf;

b) Modifying and expanding the existing parking lot to accommodate a total of 523 spaces, whereby 420 spaces will be located in the CPR/OS Subarea of the Specific Plan and 103 spaces will be located in the abutting WBMWD property through a license agreement between the City of El Segundo and WBMWD. The parking will serve both the Topgolf facility and the golf course facility;

c) Modifying the fairways and layouts of three holes at the existing golf course;

d) Installing lighting throughout the nine-hole golf course to accommodate nighttime play. The lighting would primarily be concentrated at the tee boxes and greens; and,

e) Demolishing the existing clubhouse, and constructing a new one-story clubhouse measuring 2,500 square feet, with a 1,010 square foot outdoor patio overlooking a new putting and chip-shot practice area.

(vii) Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan; and,

(viii) Conditional Use Permit No. CUP 16-05, to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities.

C. Development standards have been developed for the Specific Plan and all uses within the Plan area must be compliant. The allowed uses identified in the development standards include the proposed development and uses;

D. The proposed General Plan re-designation and rezoning of the Project Site would change the General Plan land use designation from “Parks”, to “The Lakes Specific Plan” (TLSP) land use designation and rezone the area from Open Space (O-S) to The Lakes Specific Plan (TLSP) Zone;
E. The TLSP contains two Subareas classified PUB-REC/OS (Public Recreation/Open Space) on the northern portion of the specific plan area measuring 16.06-acres, and CPR/OS (Commercial Public Recreation/Open Space) on the southern portion of the specific plan area measuring 10.49-acres;

F. The Applicant is required to make all necessary and applicable impact fee payments prior to building permit issuance, including the one-time fire services mitigation fee, the one-time police services mitigation fee, one-time park services mitigation fee, and one-time traffic mitigation.

SECTION 3: Environmental Assessment. In Planning Commission Resolution No. 2820, adopted concurrently herewith, the Commission made findings required by CEQA and recommended that the City Council adopt the environmental Findings of Fact, certify the Final Environmental Impact Report, and adopt the Mitigation Monitoring and Reporting Program for The Lakes Specific Plan and Topgolf Project.

SECTION 4: General Plan and Specific Plan. The Planning Commission makes the following findings:

A. Specific Plans create “mini-zoning” regulations for land uses within particular areas of the City. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in the adopted Specific Plan, even when they may be different from the general regulations within the ESMC.

B. The proposed amendment is in the public interest, and there will be a community benefit resulting from the amendment. The Lakes Specific Plan provides flexibility for The Lakes golf course to expand its existing operations or develop new development facilities that are compatible with the existing facilities and uses. The Specific Plan includes a development concept that accounts for and allows for the Topgolf facility; includes new land use and zoning categories and identifies the properties that are affected; includes design guidelines to help promote high-quality development; and development standards to address uses, lot area, height, setbacks, floor area, parking, landscaping and signage. All development in the project area is subject to the development standards and requirements of the specific plan.

C. The proposed amendment is consistent with the following goals, policies and objectives of the Land Use Element of the City’s General Plan:
   - **Goal LU4**: Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.
   - **Objective LU4-1**: Promote the development of high quality retail facilities in proximity to major employment centers.

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- Policy LU4-1.1: Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.
- Policy LU4-1.2: All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.
- Policy LU4-1.4: New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.
- Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.
- Goal LU6: Maintain and upgrade the existing excellent parks, recreation, and open space facilities within the City of El Segundo.
- Objective LU6-1: The development of parks, open space, and recreational facilities should be consistent with the guidelines, policies, and programs of the Open Space and Recreation Element.
- Policy LU6-1.1: Continue to provide uniform and high quality park and recreational opportunities to all areas of the City, for use by residents and employees.
- Policy LU6-1.3: Utilization of utility easements (flood control, power line rights-of-way) for recreational, open space, and beautification purposes should continue and additional possibilities should be explored.
- Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.
- Objective LU7-1: Provide the highest and most efficient level of public services and public infrastructure financially possible.
- Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.
- Policy LU7-2.3: All new development shall place utilities underground.
- Policy LU7-2.4: All new public buildings shall have adequate off-street parking spaces, or the City shall provide adequate public transportation, in accordance with the provisions and standards of all elements of the General Plan, to accommodate employees and the public.
- Policy LU7-2.5: All public facilities and utilities should be designed to enhance the appearance of the surrounding areas in which they are located.

D. The proposed amendment is consistent with the following goals, policies and objectives of the Economic Development Element of the City's General Plan:

- Goal ED1: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.
- Objective ED1-1: To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual

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benefits derived from the maintenance and expansion of El Segundo’s economic base.

- **Policy ED1-1.2:** Focus short-run economic development efforts on business retention and focus longer-run efforts on the diversification of El Segundo’s economic base in order to meet quality of life goals.
- **Objective ED1-2:** Center diversification efforts on targeted industries that meet the City’s criteria for job creation, growth potential, fiscal impact, and fit with local resources.
- **Policy ED1-2.1:** Seek to expand El Segundo’s retail and commercial base so that the diverse needs of the City’s business and residential communities are met.
- **Policy ED1-2.2:** Maintain and promote land uses that improve the City’s tax base, balancing economic development and quality of life goals.
- **Policy ED1-2.3:** Seek to balance the City’s economic development program with the City’s resources and infrastructure capacity.

E. The proposed amendment is consistent with the following goals, policies and objectives of the Circulation Element of the City’s General Plan:

- **Goal C1:** Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.
- **Policy C1-1.8:** Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities.
- **Policy C1-1.9:** Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.
- **Policy C1-3.2:** Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.
- **Policy C2-2.2:** Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes hanging facilities at or close to the bicyclist’s work destination.
- **Policy C2-5.1:** Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.
- **Policy C3-1.8:** Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.
- **Policy C3-2.1:** Ensure the provision of sufficient on-site parking in all new development.

F. The proposed amendment is consistent with the following goals, policies and objectives of the Open Space and Recreation Element of the City’s General Plan:
• **Goal OS1:** Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.

• **Objective OS1-1:** Preserve existing and acquire future public park and recreation facilities which are adequate for serving the existing and future resident population.

• **Objective OS-1-2:** Preserve existing and support acquisition of additional private park and recreation facilities to foster recognition of their value as community recreation and open space resources.

• **Objective OS1-3:** Provide recreational programs and facilities for all segments of the community.

• **Policy OS1-3.4:** Encourage commercial recreational uses to locate in El Segundo.

• **Objective OS1-4:** Develop utility transmission corridors for active or passive open space and recreational use.

G. The proposed amendment is consistent with the following goals, policies and objectives of the Conservation Element of the City’s General Plan:

• **Policy CN2-5:** Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.

• **Policy CN2-7:** Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

• **Policy CN2-8:** Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

• **Policy CN2-11:** Encourage, whenever appropriate and feasible, development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

H. The proposed amendment is consistent with the following goals, policies and objectives of the Noise Element of the City’s General Plan:

• **Goal N1:** Encourage a high quality environment within all parts of the City of El Segundo where the public’s health, safety, and welfare are not adversely affected by excessive noise.

• **Objective N1-1:** It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.
- Objective N1-2: It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo’s Noise Ordinance standards.
- Policy N1-2.1: Require all new projects to meet the City’s Noise Ordinance Standards as a condition of building permit approval.
- Program N1-2.1A: Address noise impacts in all environmental documents for discretionary approval projects, to insure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.

I. The proposed amendment is consistent with the following goals, policies and objectives of the Public Safety Element of the City’s General Plan:
- Objective PS1-1: It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.
- Program PS1-1.1A: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.
- Policy PS1-1.2: Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as conditions for project approval.
- Program PS1-1.2A: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to landsliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.
- Goal PS2: Minimize injury and loss of life, property damage, and social cultural and economic impacts caused by earthquake hazards.
- Policy PS2-1.2: The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.
- Objective PS6-1: It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from wildland and urban fires.
- Policy PS6-1.1: Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.
- Program PS6-1.2C: The City shall continue to require that all property be maintained in compliance with the fire code.
- Goal PS7: Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting
from earthquakes, hazardous material incidents, and other natural and man-made disasters.

J. The proposed amendment is compatible with and will not frustrate the goals and policies of the General Plan.

K. The proposed amendment will not conflict with the provisions of the Municipal Code or the applicable specific plan, and complies with or exceeds the minimum standards contained therein.

L. The proposed amendment will not adversely affect surrounding properties since the proposal will continue to allow for the uses the currently exist on site, and will allow for additional uses that enhance the area by offering additional recreational uses.

SECTION 5: Zone Change Findings.

A. Based on the factual findings of this Resolution, the proposed Zone Change is necessary to carry out the proposed project because the proposed General Plan Amendment would change the land use classification of the project site from Parks, to The Lakes Specific Plan. The proposed Zone Change is necessary to maintain consistency with the proposed General Plan land use designation of The Lakes Specific Plan.

B. The purpose of ESMC Title 15 is to implement the goals, objectives and policies of the El Segundo General Plan. The zone change is consistent with the General Plan goals, objectives and policies discussed in Section 4 of this resolution.

SECTION 6: Zone Text Amendment Findings. Based on the factual findings of this Resolution, the proposed Zone Text Amendment is necessary to carry out the proposed project to establish the proposed The Lakes Specific Plan (TLSP) Zone. An amendment to ESMC § 15-3-2(A)(11) to create The Lakes Specific Plan (TLSP) Zone is necessary for consistency with the General Plan.

SECTION 7: Lot Line Adjustment. Based on the factual findings of this Resolution, the proposed Lot Line Adjustment is consistent with the evaluation criteria set forth in ESMC § 14-4-4 in that the lots/parcels will conform to the development standards contained in The Lakes Specific Plan and the TLSP Zone, as both parcels will exceed the 10-acre minimum lot area.

SECTION 8: Site Plan Review. Based on the factual findings of this Resolution, the proposed site plan layout includes a new golf-themed commercial recreation and entertainment facility with a restaurant/bar, a redeveloped clubhouse, modified holes in the golf course, and golf course lighting, as detailed above in Section 2.B(vi) of this
Resolution. The Site Plan is consistent with and complies with the development standards set forth in The Lakes Specific Plan.

SECTION 9: Conditional Use Permit. Pursuant to Section 15-23-6 of the El Segundo Municipal Code, and based on the factual findings set forth hereinabove and on the whole of the administrative record, the Commission finds as follows:

A. The proposed location of the conditional use is in accord with the objectives of this Title and the purposes of the zone in which the site is located, and the proposed use is consistent and compatible with the purpose of the zone in which the site is located.

Approval of the associated Zone Text Amendment, Zone Change, General Plan Amendment and The Lakes Specific Plan have created a zoning designation and development standards specific to the subject property. The zone, via The Lakes Specific Plan, allows onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities subject to the granting of a conditional use permit pursuant to ESMC Section 15-5F-5(l). Onsite beer, wine and alcohol is appropriate to this location as it will be part of the restaurants and entertainment facility, and distributed throughout the site. The proposal is consistent with the purpose of The Lakes Specific Plan, which is to further the goals and policies of the City’s General Plan, which are contained in Section 4 of this Resolution.

B. That the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; there is compatibility of the particular use on the particular site in relationship to other existing and potential uses within the general area in which the use is proposed to be located; and potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, traffic and hazards have been recognized and compensated for.

The proposed location of the conditional use is in an urbanized area of the City that is developed with a golf course, driving range, and clubhouse that currently offers alcoholic beverages at the restaurant and banquet facilities. The proposed onsite beer, wine and alcohol will be distributed throughout the Specific Plan area, in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities, which will be located primarily indoors and sufficiently set back from Sepulveda Boulevard. No sensitive land uses are adjacent to or near the Specific Plan area that could be impacted by the operation of the onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities. Further, outdoor dining activities are not anticipated to be detrimental to adjacent
businesses and no residential uses are located in the vicinity. The use is also subject to certain conditions in the attached Exhibit A. Lastly, the El Segundo Police Department has not identified the subject property as a high crime area. Accordingly, given the commercial and industrial/manufacturing nature of the surrounding uses and immediate area, and the absence of any residential uses located in the vicinity, the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

C. That the proposed conditional use will comply with each of the applicable provisions of this Chapter.

Approval of the associated Zone Text Amendment, Zone Change, General Plan Amendment and The Lakes Specific Plan created development standards specific to the subject property, with specified uses, lot area, lot coverage, height, and other restrictions which allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities. Further, the proposed conditional use complies with the applicable provisions of ESMC Chapters 15-23 and 15-27 since proper notice was provided and proper hearing was conducted on June 8, 2017. In addition, proper hearing decision and records will be compiled with, and the required findings considered and adopted by the City Council at a future noticed public hearing. Lastly, appropriate conditions have been included to minimize impacts.

D. ABC has issued or will issue a license to sell alcohol to the applicant.

The City currently maintains a license for ABC for on-site sale and consumption of beer and wine (Type 41). The future operator of the golf-themed commercial recreation and entertainment facility will apply for a separate license with ABC to sell alcohol.

SECTION 10: Recommendations. For the foregoing reasons and based on the information and findings included in the Staff Report, Resolutions, Minutes and the whole of the administrative record, the Planning Commission of the City of El Segundo hereby recommends:

A. That the City Council adopt an Ordinance to amend the General Plan, amend the City's Zoning Map, and add the new TLSP Zoning designation to the Zoning Code, which would be memorialized as a new section in the Municipal Code, Section 15-3-2(A)(11), as set forth in the attached Exhibit "B" (Draft Ordinance) of this Resolution, and incorporated into this resolution by reference.
B. That the City Council approve Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05, subject to the conditions listed on the attached Exhibit "A," which are incorporated into this Resolution by reference.

SECTION 11: *Reliance on Record.* Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 12: *Limitations.* The Planning Commission's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the Planning Commission's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the city's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 13: *Summaries of Information.* All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 14: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 15: A copy of this Resolution must be mailed to CenterCal Properties, LLC, and to any other person requesting a copy.

SECTION 16: Except as provided in Section 15, this Resolution is the Planning Commission's final decision and will become effective immediately upon adoption.
PASSED, APPROVED AND ADOPTED this 13th day of July 2017.

/s/ Ryan Baldino
Ryan Baldino, Chair
City of El Segundo Planning Commission

ATTEST:

/s/ Sam Lee
Sam Lee, Secretary

Baldino - Aye
Hoeschler - Aye
Newman - Aye
Nicol - Aye
Wingate - Aye

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: /s/ Gregg Kovacevich
Gregg Kovacevich, Assistant City Attorney
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Planning Commission Staff Report, dated June 8, 2017 (without attachments)
AGENDA DESCRIPTION:
Consideration and possible action regarding The Lakes Specific Plan and Topgolf facility project, which consists of:
- Environmental Assessment No. EA-1135, to certify and approve a Final Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);
- General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from “Parks”, to “The Lakes Specific Plan”;
- Zone Change No. ZC 16-01, to change the underlying Zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) and CPR/OS (Commercial Public Recreation/Open Space);
- Specific Plan No. SP 16-02, creating a new specific plan for the Lakes at El Segundo golf course;
- Zone Text Amendment No. ZTA 16-04, to add the new Zoning designation to the Zoning Code;
- Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course;
- Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan; and,
- Conditional Use Permit No. CUP 16-05, to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities;

Address: 400 S. Sepulveda Boulevard (known as “The Lakes at El Segundo” golf course)
Applicant: CenterCal Properties, LLC

RECOMMENDED PLANNING COMMISSION ACTION: It is recommended that the Planning Commission open the public hearing and take public testimony on the proposed project; close the public hearing and consider the evidence; and, adopt Resolution No. 2820, recommending that the City Council: a) certify the Final EIR and adopt the environmental findings and the Mitigation Monitoring and Reporting Program; and b) adopt Resolution No. 2821, recommending that the City Council approve Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05.

Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Planning Commission Resolution No. 2820
   - Exhibit A  Environmental Findings
   - Exhibit B  Mitigation Monitoring and Reporting Program
I. INTRODUCTION

The Applicant, CenterCal, requests certification of an environmental impact report, and approval of a specific plan and related discretionary entitlements to facilitate a redevelopment project at The Lakes golf course. The project involves three areas totaling approximately 31 acres, which includes The Lakes golf course, a portion of the abutting Southern California Edison property to the east, and a portion of the abutting West Basin Municipal Water District property to the south. The project includes replacing an existing driving range and hitting bays, with a three-story Topgolf facility within the southern portion of the project site, modifying the fairways and layouts of three holes at the existing 9-hole executive golf course, modifying and expanding the existing parking to accommodate additional parking in support of the facility on the West Basin property to the south. Further, the existing hitting bays, clubhouse facility and patio, as well as the storage building and associated amenities would be demolished and replaced with a new smaller Pro Shop building, restaurant/bar/kitchen, outdoor patio/dining area, lobby, office, and storage/miscellaneous space. Although the fairways and layouts of the existing golf course would be modified, it is anticipated that the 9-hole public golf course will remain in operation. Additionally, other Project improvements include installing new lighting and screening poles, and replacing existing net poles and driving range grass with high density fiber turf. The requested Project entitlements include: a general plan amendment; a general plan map amendment; a zone change; a zoning map change; a zone text amendment; adoption of The Lakes Specific Plan; a site plan; a lot line adjustment; and a conditional use permit.

II. BACKGROUND

On September 8, 2016, the Planning Commission conducted a public scoping meeting to provide a forum for agencies and members of the community to comment on the Initial Study and Notice of Preparation, a precursor to the forthcoming EIR for the proposed project. On January 26, 2017, the Draft Environmental Impact Report (Draft EIR) was completed and circulated for public review and comment until March 13. Within the circulation period, on February 2 a public commenting session was conducted for the purpose of obtaining comments on the Draft EIR for The Lakes Specific Plan and Topgolf Project from the general public.

On May 25, 2017, the Final EIR was completed and notice was provided via mail and publication in the El Segundo Herald that a public hearing was scheduled with the Planning Commission on
June 8, 2017 to review the Final EIR and the entitlement applications for the proposed project. Subsequently, a notice was posted at the golf course clubhouse and on the City’s website.

III. SITE DESCRIPTION

The proposed project includes three areas totaling approximately 31-acres, as illustrated in Exhibit 1 below, and specified in Table 1 on the following page.

Exhibit 1
Project Areas
Table 1
Project Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Acres (approximate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Lakes at El Segundo (proposed Specific Plan area)</td>
<td>26.54</td>
</tr>
<tr>
<td>Southern California Edison Easement</td>
<td>3.58*</td>
</tr>
<tr>
<td>West Basin Municipal Water District Property</td>
<td>0.67*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30.79</strong></td>
</tr>
</tbody>
</table>

*Not a part of The Lakes Specific Plan area.

The Lakes is a 26.54 acre, triangular-shaped property that is currently developed with a publicly-owned golf course and practice facility. The Lakes at El Segundo consists of a nine-hole executive golf course; a practice facility that includes a driving range with a 5,953 square-foot two-level building containing 57 hitting bays; a putting green; club house and associated facilities; and water features. The 5,330 square-foot clubhouse is a one-story building consisting of a meeting room, restaurant/grill, lobby, restrooms, kitchen, staff office space, and storage/mechanical rooms. The golf course currently extends into an approximately 3.58-acre portion of the SCE property located directly east of the Project site and is subject to a license agreement between SCE and the City.

Abutting the golf course property along the east is an 11.5-acre, rectangular “strip” of property owned by Southern California Edison (SCE). Although the property is largely developed with several lattice transmission towers, a 3.58-acre area of the SCE property is developed as the eastern portion of the existing nine-hole golf course. This portion of the SCE property will not be part of the proposed Lakes Specific Plan.

Immediately south of the golf course is an approximately 5.28-acre property owned by the West Basin Municipal Water District (WBMWD) that is largely used for storage in association with the district’s water recycling facility and operations. An approximately 0.67-acre portion of WBMWD’s property will be utilized by the project to accommodate parking. This portion of the WBMWD property would not be part of the proposed Lakes Specific Plan.

IV. PROPOSED SPECIFIC PLAN AND LAND USES

A specific plan is a tool for the systematic implementation of the general plan that creates carefully tailored regulations for land uses within particular areas of the City to meet specific goals and policies of the General Plan. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in the adopted Specific Plan, even when they may be different from the general regulations within the ESMC. The applicant proposes to create The Lakes Specific Plan and subsequently process the entitlements necessary for the Topgolf project and redevelopment of the golf course facility.

The Lakes Specific Plan expands the uses permitted within the specific plan area, with development standards addressing the unique recreation and entertainment uses proposed for the area. The Plan consists of an approximately 26.5-acre area that currently comprises The Lakes at El Segundo. The approximately 3.6-acre SCE easement and approximately 0.7-acre WBMWD property are part of the overall Project, however, are not a part of the proposed specific plan area. The Specific Plan includes a land use plan, description of existing and proposed utilities and infrastructure, design guidelines, development standards, and administrative provisions.
A general plan amendment and zone change are proposed for the underlying designations of The Lakes Specific Plan, whereby the underlying General Plan land use designation would change from Parks to The Lakes Specific Plan, while the underlying zoning designation would change from O-S (Open Space), to TLSP (The Lakes Specific Plan). Further, two Subareas, PUB-REC/OS (Public Recreation/Open Space) and CPR/OS (Commercial Public Recreation/Open Space), are proposed, as illustrated below in Exhibit 2.

Exhibit 2
Land Use Subareas

The Public-Recration/Open Space (PUB-REC/OS) subarea encompasses approximately 16.1 acres located on the northern parcel fronting onto Sepulveda Boulevard, which allows for several public recreation uses. The parcel currently contains a nine-hole executive golf course that would remain a permitted use under the Specific Plan. Additionally, the pro shop and the uses therein would be permitted uses. As the site is being re-zoned from Open Space (O-S) to The Lakes
Specific Plan, the uses and development in the PUB-REC/OS Subarea would be governed by the Specific Plan development standards.

The Commercial Public Recreation/Open Space (CPR/OS) subarea encompasses approximately 10.5 acres on the southern parcel fronting on both Sepulveda Boulevard, with a small L-shaped portion fronting Hughes Way. The CPR/OS Subarea allows a commercial recreation and entertainment facility, as well as other recreational uses allowed in the CPR/OS subarea.

To acknowledge the new TLSP zoning designation within the City’s Zoning Code, a Zone Text Amendment is also proposed.

V. PROPOSED DEVELOPMENT PROJECT

The new specific plan and land use changes specified above will facilitate the construction of a new Topgolf building and surface parking in the CPR/OS subarea, and a redeveloped clubhouse and modified holes in the golf course within the PUB-REC/OS subarea. Further, onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities are proposed, as well as signage for the various uses.

The proposed development includes replacing the existing driving range with a three-story approximately 67,000 square-foot Topgolf commercial recreation and entertainment facility. The new facility would measure approximately 55-feet in overall height, and will include a 32,300 square-foot hitting bay and seating/waiting area, which consists of private suites. From these hitting bays, players would hit balls into an open area that will be surrounded by netting on poles up to 175 feet in height that are designed to contain errant balls. The facility would include: a 10,024 square feet of restaurant, bar, and kitchen space; 3,144 square feet of meeting and event space; 2,439 square feet of office space; 1,895 square feet of lounge space; 1,365 square feet of lobby space; and 15,994 square feet of storage, circulation, and miscellaneous space. The facility will also include approximately 3,000 square feet of outdoor terrace on the third floor that provides entertainment involving live music from a band or disc jockey (DJ). All DJ’s and bands would be required to connect to the facility’s in-house sound system and speakers, allowing the ability to control the volume and other sound levels. All overhead speakers would be oriented inward and down to the facility’s floors. Lastly, the driving range grass would be replaced with a high density fiber turf.

The existing parking lot will also be modified and expanded to accommodate a total of 523 spaces (420 spaces in the CPR/OS Subarea and 103 spaces in the abutting WBMWD property). The parking is designed to serve players and visitors of both the proposed Topgolf facility and the existing golf course facility.

Modifications to the fairways and layouts of three holes at the existing golf course are also proposed. Further, to accommodate nighttime play at the golf course, lighting is proposed throughout the course, which will be primarily concentrated at the tee boxes and greens. Lastly, the existing clubhouse will be demolished, and redeveloped with a new one-story clubhouse measuring 2,500 square feet with a 1,010 square foot outdoor patio overlooking a new putting and chip-shot practice area.
VI. DISCUSSION

The Lakes Specific Plan:

Specific plans create highly customized land use regulations within particular areas of the City. All future development plans and entitlements within the specific plan boundaries must be consistent with the standards set forth in the adopted specific plan, even when they may be different from the general regulations within the ESMC. The Lakes Specific Plan is intended to provide flexibility for The Lakes golf course to expand its existing operations or develop new facilities that would be compatible with the existing facilities and uses. The proposed specific plan includes a development concept that accounts for and allows for the Topgolf facility that is part of this application. Further, the plan includes new land use and zoning categories and identifies the properties that are affected. Design guidelines are also included to help promote high-quality development, while development standards are included to address uses, lot area, height, setbacks, floor area, parking, landscaping and signage. All development in the project area would be subject to the development standards and requirements of the specific plan.

A draft version of the Specific Plan was completed and is attached for the Commission’s review. The Planning Commission may recommend changes to the Draft Specific Plan including modifications to the design guidelines and development standards. Any substantive changes to the Specific Plan may require modification to the project’s environmental review. This may include re-writing and re-circulation of the EIR.

General Plan Amendment and Zone Change:

The proposed General Plan Amendment and Zone Change would establish The Lakes Specific Plan (TLSP) as a new land use and zoning district for the 26.5-acre Lakes at El Segundo golf course. The site is currently designated as Parks in the El Segundo General Plan and is consistently zoned Open Space (O-S). The proposal includes a General Plan Amendment to change the Land Use designation to The Lakes Specific Plan and a Zone Change to the underlying zoning designation to TLSP (The Lakes Specific Plan). The TLSP will allow the flexibility for The Lakes to expand and offer new uses, allowing new development that is compatible with the existing golf course facility and operations.

General Plan Consistency

The El Segundo General Plan provides the underlying fundamentals of The Lakes Specific Plan, serving as a planning and regulatory document. The Specific Plan is the document implementing the General Plan for the Specific Plan area. With approval of the amendment, the Specific Plan is consistent with the General Plan goals, objectives and policies. Specifically, the project would meet the following General Plan goals, policies and objectives:

- Land Use Element
  - Goal LU4: Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.
Objective LU4-1: Promote the development of high quality retail facilities in proximity to major employment centers.

Policy LU4-1.1: Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

Policy LU4-1.2: All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.

Policy LU4-1.4 New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

Goal LU6: Maintain and upgrade the existing excellent parks, recreation, and open space facilities within the City of El Segundo.

Objective LU6-1: The development of parks, open space, and recreational facilities should be consistent with the guidelines, policies, and programs of the Open Space and Recreation Element.

Policy LU6-1.1: Continue to provide uniform and high quality park and recreational opportunities to all areas of the City, for use by residents and employees.

Policy LU6-1.3: Utilization of utility easements (flood control, power line rights-of-way) for recreational, open space, and beautification purposes should continue and additional possibilities should be explored.

Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.

Objective LU7-1: Provide the highest and most efficient level of public services and public infrastructure financially possible.

Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.

Policy LU7-2.3: All new development shall place utilities underground.

Policy LU7-2.4: All new public buildings shall have adequate off-street parking spaces, or the City shall provide adequate public transportation, in accordance with the provisions and standards of all elements of the General Plan, to accommodate employees and the public.

Policy LU7-2.5: All public facilities and utilities should be designed to enhance the appearance of the surrounding areas in which they are located.

Economic Development Element

Goal ED1: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.

Objective ED1-1: To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo’s economic base.
- Policy ED1-1.2: Focus short-run economic development efforts on business retention and focus longer-run efforts on the diversification of El Segundo’s economic base in order to meet quality of life goals.
- Objective ED1-2: Center diversification efforts on targeted industries that meet the City’s criteria for job creation, growth potential, fiscal impact, and fit with local resources.
- Policy ED1-2.1: Seek to expand El Segundo’s retail and commercial base so that the diverse needs of the City’s business and residential communities are met.
- Policy ED1-2.2: Maintain and promote land uses that improve the City’s tax base, balancing economic development and quality of life goals.
- Policy ED1-2.3: Seek to balance the City’s economic development program with the City’s resources and infrastructure capacity.

- Circulation Element
  - Goal C1: Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.
  - Policy C1-1.8: Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities.
  - Policy C1-1.9: Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.
  - Policy C1-3.2: Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.
  - Policy C2-2.2: Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes hanging facilities at or close to the bicyclist’s work destination.
  - Policy C2-5.1: Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.
  - Policy C3-1.8: Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.
  - Policy C3-2.1: Ensure the provision of sufficient on-site parking in all new development.

- Open Space and Recreation Element
  - Goal OS1: Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.
  - Objective OS1-1: Preserve existing and acquire future public park and recreation facilities which are adequate for serving the existing and future resident population.
- Objective OS-1-2: Preserve existing and support acquisition of additional private park and recreation facilities to foster recognition of their value as community recreation and open space resources.
- Objective OS1-3: Provide recreational programs and facilities for all segments of the community.
- Policy OS1-3.4: Encourage commercial recreational uses to locate in El Segundo.
- Objective OS1-4: Develop utility transmission corridors for active or passive open space and recreational use.

- Conservation Element
  - Policy CN2-5: Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.
  - Policy CN2-7: Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.
  - Policy CN2-8: Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.
  - Policy CN2-11: Encourage, whenever appropriate and feasible, development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

- Noise Element
  - Goal N1: Encourage a high quality environment within all parts of the City of El Segundo where the public’s health, safety, and welfare are not adversely affected by excessive noise.
  - Objective N1-1: It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.
  - Objective N1-2: It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo’s Noise Ordinance standards.
  - Policy N1-2.1: Require all new projects to meet the City’s Noise Ordinance Standards as a condition of building permit approval.
  - Program N1-2.1A: Address noise impacts in all environmental documents for discretionary approval projects, to insure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.
• Public Safety Element
  o Objective PS1-1: It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.
  o Program PS1-1.1A: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.
  o Policy PS1-1.2: Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as conditions for project approval.
  o Program PS1-1.2A: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to landsliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.
  o Goal PS2: Minimize injury and loss of life, property damage, and social cultural and economic impacts caused by earthquake hazards.
  o Policy PS2-1.2: The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.
  o Objective PS6-1: It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from wildland and urban fires.
  o Policy PS6-1.1: Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.
  o Program PS6-1.2C: The City shall continue to require that all property be maintained in compliance with the fire code.
  o Goal PS7: Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting from earthquakes, hazardous material incidents, and other natural and man-made disasters.

Lastly, pursuant to Government Code Section 65358, any mandatory element of the General Plan may be modified a maximum of four times per calendar year. Should the requested General Plan amendment be approved, it would represent this year’s first amendment to the Land Use Element of the General Plan.

Zoning Consistency

If the zone change and zoning map change are approved, the zoning designation for the project will be The Lakes Specific Plan (TLSP). The Specific Plan would augment the development standards of the City’s zoning regulations by establishing regulations that are applicable to the specific plan area. When an issue, condition or situation occurs which is not covered or provided for in the Specific Plan, the ESMC zoning regulations that are
most applicable to the issue, condition or situation will apply. The entitlements submitted as part of this project are being reviewed in accordance with the development standards contained in The Lakes Specific Plan document.

In accordance with Municipal Code Section 15-26-4B, the proposed zone change is necessary to carry out the proposed project because the proposed General Plan amendment would change the land use classification of the project site from Parks to The Lakes Specific Plan, and the proposed zone change is necessary to maintain consistency with the General Plan land use designation. The proposed zone change is consistent with the General Plan goals, objectives and policies as specified above.

Zone Text Amendment:

The proposed project includes a zone text amendment (ZTA 16-04) to add the new TLSP Zoning designation to the Zoning Code, which would be memorialized as a new section in the Municipal Code (Section 15-3-2(A)(11)). The proposed zone text amendment carries out the proposed project by establishing The Lakes Specific Plan (TLSP) zone, and is necessary to ensure consistency with the General Plan and further the goals, objectives and policies.

Lot Line Adjustment:

The proposed project includes a lot line adjustment (SUB 16-03) to reconfigure the existing two parcels in The Lakes Specific Plan such that Topgolf's commercial recreation and entertainment facility will be wholly located within the CPR/OS subarea, and the existing none-hole golf course and new clubhouse would be wholly located within the PUB-REC/OS subarea of the specific plan. The reconfigured lots will each exceed the minimum lot area requirement of 10-acres, and will facilitate construction of the proposed project.

Site Plan:

The project includes a site plan review (SPR 16-01) for the proposed improvements within The Lakes Specific Plan area, which includes a new Topgolf building, a redeveloped clubhouse, modified holes in the golf course, and golf course lighting. Details of the proposed improvements are contained in the Proposed Development Project section above.

The Site Plan Review process and application is required to ensure compliance with the specific plan development standards. The area will continue to be accessed via two existing driveways along Sepulveda Boulevard and Hughes Way, and no modifications to these driveways and no new curb cuts are proposed as part of the project. The existing clubhouse building will be demolished to facilitate construction of a new, smaller building, which will serve the existing golf course, and new lighting will be installed to provide for nighttime golf play. The existing hitting bays at the driving range will be demolished to facilitate construction of the new Topgolf commercial recreation entertainment facility, while the existing parking lot will be re-configured and enlarged to accommodate sufficient parking to serve both the new Topgolf facility and the existing golf course. According to the plans submitted for the project, the proposed development is consistent with the development standards and design guidelines established by The Lakes Specific Plan document.
When an issue, condition or situation occurs which is not provided for or contained in the proposed Specific Plan, then compliance with the standards of the city’s Municipal Code will be required.

With regards to parking, the City’s Zoning Code does not contain parking standards for commercial recreational or golf course uses. Thus, a shared parking demand analysis was conducted to determine the minimum number of parking spaces necessary to meet the demands of both the Topgolf facility and the nine-hole golf course. The parking analysis utilized two existing Topgolf facilities in Scottsdale and Gilbert, Arizona. Utilizing the parking counts obtained for these site, which includes weekend and weekday AM and PM peak demands, and factoring the nine-hole golf course, the parking analysis concluded that a maximum hourly parking demand of 464 parking spaces is forecast to occur. Thus, a minimum of 464 parking spaces are required to accommodate the proposed Topgolf facility and nine-hole golf course. The proposed project will meet the forecasted demand by providing for a total of 523 parking spaces.

**Conditional Use Permit:**

In accordance with The Lakes Specific Plan, the project includes a conditional use permit (CUP 16-05) to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities. Pursuant to ESMC Section 15-23-4, the Planning Commission is authorized to grant a CUP if it makes the three required findings listed in ESMC Section 15-23-6. The required findings are as follows:

1. The proposed location of the conditional use permit is in accord with the objectives of the Title and the purposes of the zone in which the Property is located.

2. The proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

3. The proposed conditional use will comply with each of the applicable provisions of this Chapter. The required Conditional Use Permit Findings and facts in support of said findings are outlined in the attached resolution of approval.

Staff believes that there is adequate evidence to support the required conditional use permit findings and is recommending approval to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities, subject to the conditions of approval listed in Exhibit A of attached Resolution No. 2821. The Planning Commission may consider and impose additional conditions which it deems necessary, if it demonstrates a reasonable relationship between the condition it desires to impose and the project’s impact.
VII. ENVIRONMENTAL REVIEW

Initial Study and Notice of Preparation

Pursuant to the requirements of the California Environmental Quality Act (CEQA), and based on Staff’s review of the project and discussion with the applicant, City Staff concluded that the proposed project necessitated the preparation of an EIR. As such, on September 1, 2016, the City distributed an Initial Study to the public, accompanied by a Notice of Preparation (NOP) for an EIR, initiating a 30-day public scoping period that concluded on October 3, 2016. The purpose of the NOP was to indicate formally that the City was preparing a Draft EIR for the Lakes Specific Plan and Topgolf Project and, as Lead Agency, to solicit input regarding the scope and content of the Draft EIR. To provide more opportunity to the public, the Planning Commission held a public scoping session on September 8, 2016 to provide the public with an opportunity to submit verbal comments, in addition to the typical written comments, on the Initial Study and NOP. The NOP was distributed to all Responsible Agencies, as well as other agencies; property owners within a 300-foot radius from the subject property, and published in the El Segundo Herald. The Initial Study and NOP were also posted on the City’s website. As a result, a total of 5 written comment letters were received from persons, agencies, or organizations.

Draft EIR

After the NOP comment period ended, the Draft EIR was prepared taking in account the various comments received during the Initial Study/NOP phase. After completing the Draft EIR, the document was made available to the public on January 26, 2017 for a 47-day public comment and circulation period that concluded on March 13, 2017. The environmental concerns raised during the NOP comment period were addressed in the Draft EIR. The purpose of this circulation period is to allow the public and agencies to provide input on the content and analysis contained in the Draft EIR. To provide more opportunity to the public, Planning Department staff held a public commenting session on February 2, 2017 to provide the public with an open forum to submit verbal comments, in addition to the typical written comments.

As indicated in the Initial Study and reiterated in the Draft EIR, it was determined that the project would not result in or create any significant impacts, or have less than significant impacts to aesthetics, agricultural resources, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, public services, recreation, transportation/traffic, and utilities and service systems. However, through the scoping process and preparation of the Initial Study, the following three environmental factors were considered potentially significant and were analyzed in detail in the Draft EIR: air quality, hazards/hazardous materials, and noise. The conclusions of the impact analyses for these factors are summarized as follows:

Air Quality: The Draft EIR identifies impacts relating to air quality based on short-term impacts resulting from project construction. In terms of these short-term impacts, the Draft EIR states that mitigation measures can reduce the impacts to a level of less than significant. These mitigation measures include methods to control fugitive dust and
construction equipment controls. The air quality analysis can be found on pages 5.1-1 through 5.1-27 in the Draft EIR.

Hazards/Hazardous Materials: The Draft EIR identifies impacts related to hazards and hazardous materials based on short-term impacts resulting from construction-related accidental release of hazardous materials. The Draft EIR concludes that mitigation measures can reduce the impacts to a less than significant level by conducting site investigations and possible testing of onsite structures prior to demolition. The hazards/hazardous materials analysis can be found on pages 5.3-1 through 5.3-28 in the Draft EIR.

Noise: The Draft EIR identifies potential impacts relating to noise on a short-term (construction impacts) basis resulting from construction equipment. Utilizing noise level estimates from the Federal Highway Administration (FHWA) Construction Noise Handbook, the short-term construction noise levels would not exceed the Handbook’s 85dBA threshold. However, mitigation is recommended to ensure that construction vehicles and equipment are properly maintained and construction include methods to minimize noise. The noise analysis can be found on pages 5.6-1 through 5.6-30 in the Draft EIR.

Final EIR

As a result of circulating the Draft EIR, the City received 7 comment letters. In addition to the written comments, the City held a public meeting to take verbal comments. As part of the Final EIR, the document contains a section titled “Response to Comments”, which contains each of the written comments submitted and a response to each comment, and a section containing the mitigation measures identified in the EIR document to reduce impacts to a less than significant level. Lastly, the Final EIR contains an Errata section to the DEIR, which contains some minor modifications to the text for clarification or edits resulting from the comments received. The text modifications are shown in underline for language added and strikethrough for language deleted. As a result of the comment and circulation periods associated with the Initial Study and the subsequent Draft EIR, and with the edits made to the Final EIR and responses to comments, no new impacts have been identified to warrant recirculation of the document or significant amendments to the analysis contained therein.
Planning Commission Staff Report, dated July 13, 2017 (without attachments)
AGENDA DESCRIPTION:
Consideration and possible action regarding The Lakes Specific Plan and Topgolf facility project, which consists of:

- Environmental Assessment No. EA-1135, to certify and approve a Final Environmental Impact Report (EIR) and an associated Mitigation Monitoring and Reporting Program (MMRP);
- General Plan Amendment No. 16-01, to change the underlying General Plan Land Use designation of the Lakes at El Segundo golf course property from “Parks”, to “The Lakes Specific Plan”;
- Zone Change No. ZC 16-01, to change the underlying Zoning designation from O-S (Open Space), to TLSP (The Lakes Specific Plan) with two Subareas classified PUB-REC/OS (Public Recreation/Open Space) and CPR/OS (Commercial Public Recreation/Open Space);
- Specific Plan No. SP 16-02, creating a new specific plan for the Lakes at El Segundo golf course;
- Zone Text Amendment No. ZTA 16-04, to add the new Zoning designation to the Zoning Code;
- Site Plan Review No. 16-01, for the development within The Lakes Specific Plan area, including a new Topgolf building, a redeveloped clubhouse, and modified holes in the golf course;
- Lot Line Adjustment No. SUB 16-03, to reconfigure the existing two parcels in The Lakes Specific Plan; and,
- Conditional Use Permit No. CUP 16-05, to allow onsite beer, wine and alcohol in the restaurants, bar and entertainment areas of the clubhouse and Topgolf facilities;

Address: 400 S. Sepulveda Boulevard (known as “The Lakes at El Segundo” golf course)
Applicant: CenterCal Properties, LLC

RECOMMENDED PLANNING COMMISSION ACTION: It is recommended that the Planning Commission take any additional public testimony on the proposed project; close the public hearing and consider the evidence; and, adopt Resolution No. 2820, recommending that the City Council: a) certify the Final EIR and adopt the environmental findings and the Mitigation Monitoring and Reporting Program; and b) adopt Resolution No. 2821, recommending that the City Council approve Environmental Assessment No. EA-1135, General Plan Amendment No. 16-01, Zone Change No. ZC 16-01, Specific Plan No. SP 16-02, Zone Text Amendment No. ZTA 16-04, Site Plan Review No. 16-01, Lot Line Adjustment No. SUB 16-03, and Conditional Use Permit No. CUP 16-05.

Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. June 8, 2017 Planning Commission Staff Report with attachments
   a. Planning Commission Resolution No. 2820
      Exhibit A Environmental Findings
      Exhibit B Mitigation Monitoring and Reporting Program
b. Planning Commission Resolution No. 2821
   Exhibit A  Conditions of Approval
   c. Draft Ordinance
   d. The Lakes Specific Plan (Draft), dated June 2017
   e. Final EIR
   f. Plans

ORIGINATED BY:  Eduardo Schonborn, AICP, Principal Planner
REVIEWED BY:   Gregg McClain, Planning Manager
APPROVED BY:    Sam Lee, Director of Planning and Building Safety

I. BACKGROUND AND DISCUSSION

On June 8, 2017, the Planning Commission opened the public hearing and took public testimony regarding the proposed Lakes Specific Plan and Topgolf project. In accordance with the applicant’s request, on a 5-0 vote, the Planning Commission agreed to continue the public hearing to June 22, 2017. On June 22, 2017, the Planning Commission continued the item to the July 13, 2017 Planning Commission meeting. As a result, the applicant has requested two changes to the allowable uses table (Table VI-1) in the proposed specific plan. The first is to specify that private/commercial recreational facilities are conditionally permitted, requiring a CUP. This is consistent with the current Code requirement, which allows private recreational facilities in the O-S zone with a CUP. Staff is amenable to this change as it would continue to provide the City discretion over the types of private recreational uses that could occupy the site in the future if it is not a golf-related facility.

The second modification is to specify that a “commercial golf entertainment facility” is a permitted use. Staff is also agreeable to this modification as it provides more specificity for the type of permitted use, and minimizes ambiguity in the future regarding other types of recreational facilities. Thus, within the specific plan area, unless the use is a golf-related facility, all other private recreational uses would be subject to a CUP.

As the Planning Commission may know, the Lakes at El Segundo property was dedicated to the City of El Segundo by a Corporation Grant Deed from Chevron U.S.A. Inc. in 1988, and uses at the property are addressed in the restrictions of the Corporation Grant Deed. Staff met with Chevron and Centercal representatives to discuss the proposed modifications to the land use table and the grant deed restrictions. Chevron’s concern is that any private recreational use could occupy the site in the future. However, the proposed modifications address this concern since the specific plan would only allow a golf entertainment facility to occupy the site, but any other private recreational facilities would continue to require approval of a conditional use permit from the City, and any new facilities or modifications to the existing project would also be subject to the terms and requirements defined in the Grant Deed.

Staff is amenable to the proposed modifications, which have been incorporated into the draft specific plan document. Further, the modifications do not result in the need for further analysis of the project, and Staff believes that all findings associated with the applications can still be made in a positive manner to warrant approval of the proposed project, as specified in the attached June
8, 2017 staff report. As such, staff recommends approval of the project, as specified in the June 8, 2017 staff report.
Golf Course Design Rendering
Amendment No. 3 to the Lease Agreement
AMENDMENT NO. 3 to the

DUE DILIGENCE AND GROUND LEASE AGREEMENT

Between the City of El Segundo, a General Law Municipal corporation
(“Lessor” or “City”) and ES CenterCal, LLC, a Delaware limited liability company
(“Lessee”)

Dated February 3, 2016

This Amendment No. 3 to Due Diligence and Ground Lease Agreement (this “Amendment”) is entered into this 5th day of September 2017 by and between Lessor and Lessee.

RECATALS

1. Lessor and Lessee (collectively, the “Parties”) entered into a Due Diligence and Ground Lease Agreement on February 3, 2016 (the “Original Lease”), as amended by that certain Amendment No. 1 to Due Diligence and Ground Lease Agreement by and between Lessor and Lessee dated December 20, 2016 and that certain Amendment No. 2 to Due Diligence and Ground Lease Agreement by and between Lessor and Lessee dated June 6, 2017 (the Original Lease together with Amendments 1 and 2 are collectively referred to as the “Lease”). Section 11 of the Lease contains several terms and conditions regarding the operation of the Premises and Premises Improvements, as defined therein. The Parties now wish to modify some of those terms and conditions.

2. Section 5.5 of the Lease, as previously amended, sets forth several conditions precedent to the Premises Turnover Date and commencement of the Basic Term of the Lease. The Parties wish to modify two of these conditions.

3. Amendment No. 2 to the Lease extended the Due Diligence Period to September 30, 2017. The Parties wish to extend that deadline to December 31, 2017.

4. The Parties wish to amend Exhibit D (“Golf Course Improvements”) to the Lease.

5. Capitalized terms used but not otherwise defined herein shall have the same meanings as set forth for such terms in the Original Lease.

6. The Parties desire to amend the Lease as provided herein.

NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

1. Subsection (vii) of Section 5.5 of the Lease is amended to read as follows:

“(vii) prior to the expiration of the Due Diligence Period, Lessee has received a written commitment from Chevron USA, Inc., a Pennsylvania corporation
2. Subsection (xiv) of Section 5.5 of the Lease is amended to read as follows:

"(xiv) when seeking bids for the construction of the Golf Course Improvements, Lessee shall require each bidder to include, as a separate add-on item, a bid for the purchase and installation of lights for the golf course for the purpose of allowing golf to be played on the golf course during twilight and after sunset hours. The design and specifications of the lighting must be approved by the El Segundo Department of Planning, Building and Safety prior to bidding. Once Lessee has selected a successful bidder for the Golf Course Improvements and provided written notice of such to Lessor, Lessor shall have 15 days to notify Lessee of its decision to accept or reject the bid for the golf course lighting. If Lessor accepts the bid, Lessee agrees to pay the first $400,000 of the cost of the lighting to its chosen contractor and on the schedule agreed to by Lessee and its contractor. Lessor agrees to reimburse Lessee for the accepted bid price in excess of $400,000, together with additional costs incurred with respect to the installation of the golf course lighting due to unforeseeable circumstances, and to do so within 30 days after Lessee provides Lessor with proof of payment to its contractor in exchange for work that has been inspected by, and accepted as complete by, the Department of Planning, Building and Safety. In no circumstances shall Lessor be obligated to Lessee's chosen contractor for the payment of money. If Lessor decides not to accept the bid received by Lessee for the golf course lighting, the golf course lighting component will not be included in the scope of the Golf Course Improvements to be completed by Lessee and, instead, Lessee shall deposit $400,000 into an escrow account with the Title Company ("Escrow Holder") and enter into an escrow agreement (the "Escrow Agreement") with Lessor and Escrow Holder solely for the purpose of funding a portion of the cost for Lessor to purchase and install lights on the golf course on the Property for the purpose of allowing golf to be played on the golf course during twilight and after sunset hours. The Escrow Agreement shall provide that if Lessor shall not have installed lights on the golf course within five years from the date of the Escrow Agreement, then the funds shall be promptly returned to the Lessee. Notwithstanding any provision hereof to the contrary, the parties agree and acknowledge that in connection with obtaining the Required Project Entitlements Lessee has obtained a parking study from a third party consultant. In the event that such parking study reveals that the parking requirements for the Golf Course and the Premises require an adjustment of the total number of parking spaces needed for the Golf Course or that providing Lessor with thirty (30) exclusive parking spaces during the Golf Course's hours of operation as described in clause (x) hereof is incompatible with the Permitted Use and Lessor's use of the Golf Course, then prior to the end of the Due Diligence Period, the parties shall work together to modify the Parking License (and the number of parking spaces and exclusive parking spaces granted thereunder) in such a manner so as to be
compatible with the Permitted Use and the Lessor’s operation of the Golf Course.”

3. Section 11.3 of the Lease is amended to read as follows:

“11.3 Between 9 a.m. and 9 p.m. each day, Lessee shall make driving bays available for youth sports and provide a ten percent (10%) discount on golf charges for residents of the City of El Segundo that have El Segundo Parks and Recreation Identification Cards. This discount will be in addition to all other golfing discounts offered by Lessee such as the twenty percent (20%) golf discount offered to senior citizens and active military personnel.”

4. Section 11.4 of the Lease is amended to read as follows:

“11.4 During the Lease term, Lessee shall cause Topgolf or the operator of the Premises to comply with the following conditions:

(a) between the hours of 6:00 a.m. and 12:00 p.m. on Monday through Friday, and 6:00 a.m. and 9:00 a.m. on Saturday and Sunday, allow City of El Segundo residents that have a Parks and Recreation Card to use the portion of the Premises identified in Section 11.2(i) of this Agreement for driving range use, and charged a fee, less the applicable discounts identified in Section 11.3, that is consistent with fees charged by other driving ranges in Los Angeles County that are open to the public and that are maintained in a similar first class condition;

(b) provide discounted monthly user access cards for frequent customers similar to those provided at other Topgolf facilities;

(c) to facilitate Lessor’s golf-oriented youth group and golf instruction programs, provide authorized El Segundo Parks and Recreation Department youth program participants and golf instructors (and their students) with access to a minimum number of hitting bays free of charge upon 48 hours’ notice as follows:

(1) Monday through Thursday: 10 hitting bays between 8 a.m. and 4 p.m. and 4 hitting bays between 4 p.m. and 7 p.m.;

(2) Friday: 6 hitting bays between 9 a.m. and 2 p.m. and 3 hitting bays between 2 p.m. and 6 p.m.; and

(3) Saturday and Sunday: 4 hitting bays between 8 a.m. and 12 p.m. and 3 hitting bays between 12 p.m. and 4 p.m.

If the Parks and Recreation Department requires additional hitting bays during these hours, Topgolf or the operator of the Premises will provide the additional bays, when available, at a rate of 50% off the then-current rate available to the
public. If the Department requires additional hitting bays outside of these hours, Topgolf or the operator of the Premises will provide the additional bays, when available, at an hourly rate that is $10 less than the then-current rate available to the public. Topgolf or the operator of the Premises shall provide the Parks and Recreation Department with the name and contact information of an employee that is responsible for booking reservations pursuant to this subparagraph. The contact person shall be available for scheduling reservations during normal business hours Monday through Friday.

(d) keep the first level hitting bays open for use as a driving range by El Segundo residents with El Segundo Parks and Recreation Identification Cards during the following days and time (some of which are outside of normal operating hours):

(1) Monday through Friday 6 a.m. to 12 p.m,

(2) Saturday and Sunday 6 a.m. to 9 a.m,

During these times, Topgolf or the operator of the Premises will make the first-level hitting bays available at a price comparable to other driving ranges in the Los Angeles area. Topgolf or the operator of the Premises need not provide RFID-equipped balls to users during these times.

(e) if the Site Plan (including the parking layout) will allow, use commercially reasonable efforts to include a putting practice element on the Premises to replace the existing putting practice element on the Property;

(f) allow junior high school and high school players attending schools located in El Segundo and Manhattan Beach to use the portion of the Premises used as a driving range between the hours of 2:30 p.m. and 5:30 p.m. at no charge when such is a formal school practice event and at a rate commensurate with fees charged by other driving ranges open to the public that are maintained in a first class condition when they are practicing at other times (provided that such times are prior to 7:00 p.m. local time); and,

(g) use commercially reasonable efforts to introduce the game of golf to a wider audience and work with PGA of America, PGA of Southern California, and the SCGA in this regard.

The parties shall meet biannually to discuss the youth group programs and golf instruction programs to determine whether the parties wish to alter the manner in which the programs are being managed and/or administered. No changes may be made to these programs unless the parties agree to such changes in writing."

5. Section 11.4.1 is added to the Lease to read as follows:
“11.4.1 During such times as Topgolf is the operator, it shall not operate golf-oriented youth group programs or golf professional (instructional) programs that compete with those offered by the El Segundo Parks and Recreation Department.”

6. Section 11.7 is added to the Lease to read as follows:

“11.7 For each Friday and Saturday that the Topgolf Facility is operating, Lessee will make arrangements with the Chief of Police to have two on-duty El Segundo Police Officers continuously stationed on the Premises from 6:00 p.m. until closing time. At any time, in his/her sole discretion, the Chief of Police may (1) require up to two additional officers (for a total maximum number of four) to be added to the patrols required under this paragraph, (2) require fewer officers or no officers for the patrols, and/or (3) modify the days and times during which the patrols are required. Lessee agrees to reimburse Lessor for the cost of the patrols, which cost will be calculated at the fully-burdened overtime rate for each officer assigned. Lessor will periodically invoice Lessee for the cost of the patrols and will include an itemized breakdown of the invoiced costs. Lessee agrees to pay each invoice in full within 30 days or be subject to late payment penalties as indicated on the invoice. Lessee’s reimbursement obligation pursuant to this paragraph is in addition to every other financial obligation of Lessee under to this Lease.”

7. The following language is added to the end of Section 5.1 of the Original Lease in place of the language added thereto by Amendment No. 2, paragraph 2:

“Notwithstanding anything to the contrary contained or implied in this Lease, the outside date for the expiration of the Due Diligence Period is hereby extended to December 31, 2017. Lessee will use diligent efforts to complete its due diligence for the Premises and determine whether it will proceed with the leasing of the Premises or terminate this Lease expeditiously, but in no event later than December 31, 2017.”

8. Exhibit D to the Lease is amended to read as Exhibit 2 attached to this Amendment.

9. Except as modified by Amendment No. 1, Amendment No. 2 and this Amendment No. 3 (collectively, the “Amendments”), all other terms and conditions of the Original Lease shall remain the same. The Original Lease and the Amendments constitute the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersede all prior written agreements of the Parties with respect to the subject matter hereof.

10. This Amendment may be executed in counterparts each of which shall be deemed an original.
11. Subject to the limitations set forth in Section 18 of the Original Lease, the covenants and agreements contained in this Amendment shall bind and inure to the benefit of Lessor, its successors and assigns, and Lessee, its successors and assigns.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Amendment to be executed by their duly authorized representatives as of the date first hereinafore written.

Lessor: CITY OF EL SEGUNDO, a general law City and Municipal corporation

By: ____________________________________________
Name: __________________________________________

Attest:

__________________________
Tracy Weaver, City Clerk

Approved as Form:

__________________________
Mark D. Hensley, City Attorney

Lessee: ES CENTERCAL, LLC,
a Delaware limited liability company

By: CENTERCAL, LLC,
a Delaware limited liability company

By: CENTERCAL ASSOCIATES, LLC,
a Delaware limited liability company

By: __________________________
Print Name: ______________________
Print Title: Its Manager
Final EIR
The Lakes Specific Plan and Topgolf Project
ENVIRONMENTAL IMPACT REPORT
COMMENTS AND RESPONSES

Submitted by:
Michael Baker International
FINAL
ENVIRONMENTAL IMPACT REPORT

The Lakes Specific Plan
and Topgolf Project (EA-1135)

SCH NO. 2016091003

CITY OF EL SEGUNDO
Planning and Building Safety Department
350 Main Street
El Segundo, California 90245
Contact: Mr. Eduardo Schonborn, AICP
Principal Planner
310.524.2312

Prepared By:

MICHAEL BAKER INTERNATIONAL
5 Hutton Centre Drive, Suite 500
Santa Ana, California 92707
Contact: Ms. Rita Garcia
949.472.3505

May 23, 2017

JN 153368
This document is designed for double-sided printing to conserve natural resources.
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ENVIRONMENTAL IMPACT REPORT
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SECTION 10.0
Mitigation Monitoring and Reporting Program
10.0 MITIGATION MONITORING AND REPORTING PROGRAM

Section 1.0, Executive Summary, and Section 5.0, Environmental Analysis, identify the mitigation measures that will be implemented to avoid or lessen the environmental impacts associated with The Lakes Specific Plan and Topgolf Project. Public Resources Code § 21081.6 requires a public agency to adopt a monitoring and reporting program for assessing and ensuring compliance with any required mitigation measures applied to the proposed development:

... the public agency shall adopt a reporting or monitoring program for the changes to the project which it has adopted, or made a condition of project approval, in order to mitigate or avoid significant effects on the environment.

Public Resources Code Section § 21081.6 also provides general guidelines for implementing mitigation monitoring programs and indicates that specific reporting/monitoring requirements enforced during Project implementation must be defined before Final EIR certification.

The mitigation monitoring table provided below lists mitigation measures that can be included as conditions of approval for the Project. These measures correspond to those outlined in Section 1.0 and discussed in Section 5.0. To ensure that the mitigation measures are properly implemented, a Mitigation Monitoring and Reporting Program (MMRP) has been drafted to identify the timing and responsibility for each measure. The City of El Segundo will have the primary responsibility for monitoring and reporting implementation of the mitigation measures.
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### THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT

#### MITIGATION MONITORING AND REPORTING PROGRAM

<table>
<thead>
<tr>
<th>Mitigation Measure</th>
<th>Monitoring Phase/Timing</th>
<th>Monitoring Procedure</th>
<th>Implementing Party/Agency</th>
<th>Verification of Compliance</th>
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<tr>
<td><strong>AIR QUALITY</strong></td>
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<tr>
<td>AQ-1</td>
<td>Before Grading Permit is Issued</td>
<td>Review/Approval of Grading Plan, Building Plan, and Specifications</td>
<td>Director of Public Works and Director of Planning and Building Safety (or Designees)</td>
<td></td>
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</tbody>
</table>

- In accordance with SCAQMD Rule 403, excessive fugitive dust emissions must be controlled by regular watering or other dust prevention measures, and with Rule 402, which requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site as specified in the SCAQMD’s Rules and Regulations, the following shall be implemented during construction:
  
  a. All active portions of the construction site must be watered every three hours during daily construction activities and when dust is observed migrating from the Project site to prevent excessive amounts of dust.
  
  b. Appoint a construction relations officer to act as a community liaison concerning on-site construction activity including resolution of issues related to particulate matter generation.
  
  c. Pave or apply water every three hours during daily construction activities or apply non-toxic soil stabilizers on all unpaved access roads, parking areas, and staging areas. More frequent watering must occur if dust is observed migrating from the site during site disturbance.
  
  d. Any on-site stockpiles of debris, dirt, or other dusty material must be enclosed, covered, watered twice daily, or non-toxic soil binders shall be applied.
  
  e. All grading and excavation operations must be suspended when wind speeds exceed 25 miles per hour.
### THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT

#### MITIGATION MONITORING AND REPORTING PROGRAM

<table>
<thead>
<tr>
<th>Mitigation Measure</th>
<th>Monitoring Phase/Timing</th>
<th>Monitoring Procedure</th>
<th>Implementing Party/Agency</th>
<th>Verification of Compliance</th>
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</thead>
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<tr>
<td>f. Disturbed areas must be replaced with ground cover or paved immediately after construction is completed in the affected area.</td>
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<td>g. Track-out devices such as gravel bed track-out aprons (3 inches deep, 25 feet long, 12 feet wide per lane and edged by rock berm or row of stakes) are required to reduce mud/dirt trackout from unpaved truck exit routes. Alternatively, a wheel washer must be used at truck exit routes.</td>
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<td>h. On-site vehicle speed must be limited to 15 miles per hour.</td>
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<td>i. All material transported off-site must be either sufficiently watered or securely covered to prevent excessive amounts of dust before departing the job site.</td>
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<td>j. Reroute construction trucks away from congested streets or sensitive receptor areas.</td>
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#### HAZARDS AND HAZARDOUS MATERIALS

<table>
<thead>
<tr>
<th>HAZ-1 Before a Demolition Permit is issued, an environmental professional with Phase II/site characterization experience must conduct an inspection of existing onsite structures. The inspection must determine whether or not testing is required to confirm the presence or absence of hazardous substances in building materials (e.g., sinks, drains, piping, flooring, walls, ceiling tiles). Should testing be required and results determine that hazardous substances are present in onsite building materials, the Phase II/site characterization specialist must determine appropriate prevention/remediation measures that are required and/or the methods for proper disposal of hazardous waste at an approved landfill facility, if required.</th>
<th>Before Demolition Permit is Issued</th>
<th>Hazardous Materials Inspection</th>
<th>Environmental Consultant with Phase II/Site Characterization Experience; Director of Public Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitigation Measure</td>
<td>Monitoring Phase/Timing</td>
<td>Monitoring Procedure</td>
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<td><strong>NOISE</strong></td>
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<td>N-1</td>
<td>Before the City issues the grading permit, the Project Applicant must demonstrate, to the satisfaction of the Director of Public Works that the Project complies with the following:</td>
<td>Before Grading Permit is Issued</td>
<td>Review/Approval of Grading Plan and Building Plan Specifications</td>
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<td></td>
<td>• All construction equipment must be equipped with mufflers and sound control devices (e.g., intake silencers and noise shrouds) no less effective than those provided on the original equipment and no equipment shall have an unmuffled exhaust.</td>
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<td>• The contractor must maintain and tune-up all construction equipment to minimize noise emissions.</td>
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<td>• Stationary equipment must be placed so as to maintain the greatest possible distance to the sensitive receptors.</td>
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<td></td>
<td>• All equipment servicing must be performed so as to maintain the greatest possible distance to the sensitive receptors.</td>
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<td>• Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction are required to be hydraulically or electronically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler must be used; this muffler can lower noise levels from the exhaust by up to approximately 10 dBA. External jackets on the tools themselves must be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures</td>
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</table>
**THE LAKES SPECIFIC PLAN AND TOPGOLF PROJECT**

**MITIGATION MONITORING AND REPORTING PROGRAM**

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<th>Mitigation Measure</th>
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</table>

- must be used, such as drills rather than impact equipment, whenever feasible.

- A qualified "Noise Disturbance Coordinator" will be retained amongst the construction crew to be responsible for responding to any local complaints about construction noise. When a complaint is received, the Disturbance Coordinator shall notify the City within 24 hours of the complaint and determine the cause of the noise complaint (e.g., starting too early, malfunctioning muffler, etc.) and implement reasonable measures to resolve the complaint, as deemed acceptable by the Director of Planning and Building Safety.

- Select demolition methods to minimize vibration, where possible (e.g., sawing masonry into sections rather than demolishing it by pavement breakers).
SECTION 11.0
Comments and Responses
11.0 COMMENTS AND RESPONSES

11.1 INTRODUCTION

PUBLIC REVIEW DRAFT ENVIRONMENTAL IMPACT REPORT

In accordance with California Environmental Quality Act (CEQA) Guidelines §§ 15120 through 15132 and § 15162, the City of El Segundo prepared a Draft EIR (DEIR) for The Lakes Specific Plan and Topgolf Project (SCH No. 2016091003). The DEIR was made available for review and comment to the public, responsible and trustee agencies, interested groups, and organizations for a 45-day period that occurred between January 26, 2017 and March 13, 2017. The DEIR was also made available directly to State agencies through the State Clearinghouse, Office of Planning and Research. Although not required by CEQA, the City also conducted a noticed Open Public Comment Session on February 2, 2017, in an effort to solicit and receive verbal comments on the DEIR.

FINAL ENVIRONMENTAL IMPACT REPORT

Before approving a project, CEQA requires that the Lead Agency prepare and certify a Final Environmental Impact Report (FEIR). The contents of a FEIR are specified in CEQA Guidelines § 15132, as follows:

(a) The draft EIR or a revision of the draft.

(b) Comments and recommendations received on the draft EIR either verbatim or in summary.

(c) A list of persons, organizations, and public agencies commenting on the draft EIR.

(d) The responses of the Lead Agency to significant environmental points raised in the review and consultation process.

(e) Any other information added by the Lead Agency.

The FEIR allows the public and Lead Agency an opportunity to review DEIR revisions, the comments and responses, and other EIR components, such as the Mitigation Monitoring and Reporting Program (MMRP), before Project approval. The FEIR serves as the environmental document to support a decision on the proposed Project. This FEIR document consists of the following components:

- Section 11.1, Introduction;
- Section 11.2, Lists of Public Agencies, and Persons and Organizations;
- Section 11.3, Comments and Responses; and
- Section 11.4, Errata to the DEIR.

It is noted, none of the corrections/clarifications identified in this FEIR constitute "significant new information" pursuant to CEQA Guidelines § 15088.5. The new information added merely clarifies/amplifies and makes insignificant modifications to the DEIR. The corrections/clarifications do not involve changes in the Project or environmental setting, or significant new
information. They do not result in a new impact or substantial increase in the severity of an environmental impact identified in the DEIR. No new or substantially different mitigation measures than those identified in the DEIR are required. Moreover, the new information does not affect the DEIR’s overall conclusions. Therefore, recirculation of the DEIR is not warranted.

Pursuant to CEQA Guidelines § 15090, prior to approving a project, the Lead Agency must certify that:

1. The Final EIR has been completed in compliance with CEQA;

2. The Final EIR was presented to the decision-making body of the Lead Agency, and that the decision-making body reviewed and considered the information in the Final EIR prior to approving the Project; and

3. The Final EIR reflects the Lead Agency’s independent judgment and analysis.

These certifications, or “Findings of Fact,” are included in a separate Findings document. Both the FEIR and the Findings will be submitted to the Lead Agency for consideration of the proposed Project.
11.2 LISTS OF PUBLIC AGENCIES, AND PERSONS AND ORGANIZATIONS COMMENTING ON THE DEIR

In accordance with CEQA Guidelines § 15132, the public agencies, and persons and organizations commenting on the DEIR are listed in Table 11-1, *List of Public Agencies and Persons and Organizations*. As indicated in Table 11-1, comments on the DEIR were received from seven public agencies; however, no comments were received from persons or organizations. Also, no comments on the DEIR were made during the noticed Open Public Comment Session.

### Table 11-1
List of Public Agencies and Persons and Organizations

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Author</th>
<th>Author Title</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA 1</td>
<td>03/14/17</td>
<td>Scott Morgan</td>
<td>Director, State Clearinghouse</td>
<td>State of California Governor’s Office of Planning and Research State Clearinghouse and Planning Unit</td>
</tr>
<tr>
<td>PA 2</td>
<td>02/7/2017</td>
<td>Gayle Totten</td>
<td>Associate Governmental Project Analyst</td>
<td>State of California Native American Heritage Commission</td>
</tr>
<tr>
<td>PA 3</td>
<td>02/22/2017</td>
<td>Frank Vidalas</td>
<td>Chief, Forestry Division Prevention Services Bureau</td>
<td>County of Los Angeles Fire Department</td>
</tr>
<tr>
<td>PA 4</td>
<td>03/6/2017</td>
<td>Mindy Wilcox</td>
<td>Planning Manager</td>
<td>City of Inglewood Economic and Community Development Department, Planning Division</td>
</tr>
<tr>
<td>PA 5</td>
<td>03/10/2017</td>
<td>Adriana Raza</td>
<td>Customer Service Specialist, Facilities Planning Department</td>
<td>County Sanitation Districts of Los Angeles County</td>
</tr>
<tr>
<td>PA 6</td>
<td>03/13/2017</td>
<td>Dianna Watson</td>
<td>IGR/CEQA Branch Chief</td>
<td>State of California Department of Transportation, District 7</td>
</tr>
<tr>
<td>PA 7</td>
<td>03/2017</td>
<td>Elizabeth Carvajal</td>
<td>Senior Manager, Transportation Planning</td>
<td>Los Angeles County Metropolitan Transportation Authority</td>
</tr>
</tbody>
</table>

**Persons and Organizations.**

None

**February 2, 2017 Open Public Comment Session**

None
11.3 COMMENT LETTERS AND RESPONSES

In compliance with CEQA Guidelines § 15132, this Section includes all of the comments received on the DEIR, along with the City of El Segundo’s responses to significant environmental points raised by those comments. The comments are grouped according to author: Public Agencies (PA); Persons and Organizations (PO); and 3) Public Comment Session (PC). Each individual comment letter listed in FEIR Section 11.2, Lists of Public Agencies, and Persons and Organizations Commenting on the DEIR, is reproduced on the following pages. Each letter and the individual comments in each letter have been consecutively numbered for ease of reference. Following each comment letter, a response is provided for each comment raising substantive environmental issues. The responses are numbered and correlated to the bracketed and identified portions of each comment letter. A “PA,” “PO,” or “PC” prefix is included with each comment number, as needed, to differentiate the responses.

Responses may include text revisions to clarify or amplify information in the DEIR, as a result of environmental points raised in the comments, or as requested by the Lead Agency. A response to a comment requiring revisions to the DEIR presents the relevant DEIR text in a box, with deleted text indicated by double strike-through and new text indicated by underlining, as follows:

| Deleted DEIR text | Added DEIR text |

DEIR text revisions are also presented according to DEIR Section in Section 11.4, Errata to the Draft EIR.
Gregg McClain  
City of El Segundo  
350 Main Street  
El Segundo, CA 90245  

Subject: The Lakes Specific Plan Project and Topgolf Facility  
SCH#: 2016091003  

Dear Gregg McClain:

The State Clearinghouse submitted the above named Draft EIR to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on March 13, 2017, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

“A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation.”

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan  
Director, State Clearinghouse

Enclosures  
cc: Resources Agency
### Document Details Report
#### State Clearinghouse Data Base

<table>
<thead>
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<th>SCH#</th>
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<td><strong>Project Title</strong></td>
<td>The Lakes Specific Plan Project and Topgolf Facility</td>
</tr>
<tr>
<td><strong>Lead Agency</strong></td>
<td>El Segundo, City of</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>EIR Draft EIR</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>The Lakes specific plan consists of the 26.6 acre area that currently comprises the Lakes at El Segundo. The SP would establish two subareas, with uses and development standards applicable to each subarea. The 3.6 acre SCE easement and 0.7 acre portion of the West Basin Municipal Water District property are part of the overall project, but are not a part of the proposed specific plan. The associated development project proposes to replace the existing driving range with a Topgolf facility on approximately 12 acres. Other improvements would include modifications to the fairways/layout of the existing golf course, parking lot expansion, screening pole installation, replacement of existing net poles, turf installation, and demolition/construction of a new clubhouse. In addition to the SP, proposed entitlements include a general plan amendment; general plan map amendment; zone change; zoning map change; zone text amendment; site plan; lot line adjustment and conditional use permit.</td>
</tr>
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### Lead Agency Contact

<table>
<thead>
<tr>
<th><strong>Name</strong></th>
<th>Gregg McClain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency</strong></td>
<td>City of El Segundo</td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td>213-524-2393</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>350 Main Street</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td>El Segundo</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>CA</td>
</tr>
<tr>
<td><strong>Zip</strong></td>
<td>90245</td>
</tr>
</tbody>
</table>

### Project Location

<table>
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<tr>
<th><strong>County</strong></th>
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<tr>
<td><strong>City</strong></td>
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<td><strong>Region</strong></td>
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<tr>
<td><strong>Lat / Long</strong></td>
<td>33° 54' 42.37&quot; N / 118° 23' 40.31&quot; W</td>
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<tr>
<td><strong>Cross Streets</strong></td>
<td>400 South Sepulveda Blvd</td>
</tr>
<tr>
<td><strong>Parcel No.</strong></td>
<td>4138-014-913, 816</td>
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<td>3S</td>
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<td>14W</td>
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<td><strong>Section</strong></td>
<td>18</td>
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<td><strong>Base</strong></td>
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</table>

### Proximity to:

- **Highways**: I-405, 105, Hwy 1
- **Airports**: LAX
- **Railways**: ATSF; Metro Green line
- **Waterways**: 
- **Schools**
- **Land Use**: Z: Open space, public facilities
  - GP: Parks, open space and public facility

### Project Issues

- Agricultural Land; Air Quality; Archaeologic-Historic; Biological Resources; Drainage/Absorption; Economics/Jobs; Flood Plain/Flooding; Forest Land/Fire Hazard; Geologic/Seismic; Minerals; Noise; Population/Housing Balance; Public Services; Recreation/Parks; Schools/Universities; Septic System; Sewer Capacity; Soil Erosion/Compaction/Grading; Solid Waste; Toxic/Hazardous; Traffic/Circulation; Vegetation; Water Quality; Water Supply; Wetland/Riparian; Wildlife; Growth Inducing; Landuse; Cumulative Effects; Other Issues; Aesthetic/Visual

### Reviewing Agencies

- Resources Agency; Department of Fish and Wildlife, Region 5; Department of Parks and Recreation; Department of Water Resources; Caltrans, Division of Aeronautics; California Highway Patrol; Caltrans, District 7; Regional Water Quality Control Board, Region 4; Native American Heritage Commission; Public Utilities Commission
Document Details Report
State Clearinghouse Data Base

Date Received 01/26/2017    Start of Review 01/26/2017    End of Review 03/13/2017
RESPONSE TO COMMENT LETTER NO. PA-1
Scott Morgan, Director, State Clearinghouse
State of California Governor's Office of Planning and Research, State Clearinghouse and Planning Unit
March 14, 2017

PA 1-1 This letter acknowledges that the State Clearinghouse submitted the DEIR to selected State agencies for review and that the DEIR review period closed on March 13, 2017. The comment states that the Lead Agency, City of El Segundo, complied with the public review requirements for draft environmental documents pursuant to CEQA. As such, no further response is necessary.
February 7, 2017

Gregg McClain
City of El Segundo
350 Main Street
El Segundo, CA 90245

to send via e-mail:
mgcmclain@elsegundo.org

Re: SCH# 20160910003, The Lakes Specific Plan Project and Topgolf Facility, City of El Segundo, Los Angeles County, California

Dear Mr. McClain:

The Native American Heritage Commission (NAHC) has reviewed the Draft Environmental Impact Report prepared for the project referenced above. The review included the Introduction and Purpose, the Project Description, the Executive Summary, the Environmental Impact Analysis, the Other CEQA Considerations, Appendix B - NOP Letters, and Appendix D, Phase I and Phase II Environmental Site Analysis, section 4.2, Federal, State, and Tribal Environmental Factors, prepared by Stantec and Michael Baker International for the City of El Segundo. We have the following concerns:

- The Native American Heritage Commission NOP response letter dated September 7, 2016 was not included in Appendix B – NOP Letters.
- There is no Cultural Resources section in the Executive Summary, no assessments for Cultural Resources (such as CHRIIS or SLF records searches, pedestrian surveys, etc.), and no mitigation measures for inadvertent finds of Archaeological Resources, Cultural Resources, Tribal Cultural Resources, or Human Remains.
- There is no Tribal Cultural Resources section or subsection in the Executive Summary as per California Natural Resources Agency (2016) "Final Text for tribal cultural resources update to Appendix G: Environmental Checklist Form," http://resources.ca.gov/ceqa/docs/ab52/Clean-final-AB-52-App-G-Text-Submitted.pdf
- There are no mitigation measures specifically addressing Tribal Cultural Resources separately. Mitigation measures must take Tribal Cultural Resources into consideration as required under AB-52, with or without consultation occurring. Mitigation language for archaeological resources is not always appropriate for or similar to measures specifically for handling Tribal Cultural Resources.

The California Environmental Quality Act (CEQA), specifically Public Resources Code section 21084.1, states that a project that may cause a substantial adverse change in the significance of a historical resource is a project that may have a significant effect on the environment. If there is substantial evidence, in light of the whole record before a lead agency, that a project may have a significant effect on the environment, an environmental impact report (EIR) shall be prepared. In order to determine whether a project will cause a substantial adverse change in the significance of a historical resource, a lead agency will need to determine whether there are historical resources with the area of project effect (APE).

CEQA was amended in 2014 by Assembly Bill 52. AB 52 applies to any project for which a notice of preparation or a notice of negative declaration or mitigated negative declaration is filed on or after July 1, 2015. AB 52 created a separate category for "tribal cultural resources", that now includes "a project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource is a project that may have a significant effect on the environment." Public agencies shall, when feasible, avoid damaging effects to any tribal cultural resource. Your project may also be subject to Senate Bill 18 (SB 18) (Burton, Chapter 905, Statutes of 2004), Government Code 65352.3, if it also involves the adoption of or amendment to a general plan or a specific plan, or the designation or proposed designation of open space. Both SB 18 and AB 52 have tribal consultation requirements. Additionally, if your project is also subject to the federal National Environmental

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1 Pub. Resources Code § 21000 et seq.
2 Pub. Resources Code § 21084.1; Cal. Code Regs., tit.14, § 15064.5 (b); CEQA Guidelines Section 15064.5 (b)
3 Pub. Resources Code § 21080 (d); Cal. Code Regs., tit. 14, § 15064 subd (a)(1); CEQA Guidelines § 15064 (a)(1)
4 Government Code 65352.3
5 Pub. Resources Code § 21074
6 Pub. Resources Code § 21084.2
7 Pub. Resources Code § 21084.3 (a)
Policy Act (42 U.S.C. § 4321 et seq.) (NEPA), the tribal consultation requirements of Section 106 of the National Historic Preservation Act of 1966\(^6\) may also apply.

Consult your legal counsel about compliance with AB 52 and SB 18 as well as compliance with any other applicable laws.

Agencies should be aware that AB 52 does not preclude agencies from initiating tribal consultation with tribes that are traditionally and culturally affiliated with their jurisdictions before the timeframes provided in AB 52. For that reason, we urge you to continue to request Native American Tribal Consultation Lists and Sacred Lands File searches from the NAHC. The request forms can be found online at: [http://nahc.ca.gov/resources/forms/](http://nahc.ca.gov/resources/forms/). Additional information regarding AB 52 can be found online at [http://nahc.ca.gov/wp-content/uploads/2015/10/AB52TribalConsultation_CalEPA.pdf](http://nahc.ca.gov/wp-content/uploads/2015/10/AB52TribalConsultation_CalEPA.pdf), entitled "Tribal Consultation Under AB 52: Requirements and Best Practices".

The NAHC recommends lead agencies consult with all California Native American tribes that are traditionally and culturally affiliated with the geographic area of your proposed project as early as possible in order to avoid inadvertent discoveries of Native American human remains and best protect tribal cultural resources.

A brief summary of portions of AB 52 and SB 18 as well as the NAHC's recommendations for conducting cultural resources assessments is also attached.

Please contact me at gayle.totton@nahc.ca.gov or call (916) 373-3710 if you have any questions.

Sincerely,

[Signature]

Gaye Totton, B.S., M.A., Ph.D
Associate Governmental Project Analyst

Attachment

cc: State Clearinghouse

\(^6\) 154 U.S.C. 300101, 36 C.F.R. § 800 et seq.
Under AB 52:
AB 52 has added to CEQA the additional requirements listed below, along with many other requirements:
Within fourteen (14) days of determining that an application for a project is complete or of a decision by a public agency to undertake a project, a lead agency shall provide formal notification to a designated contact of, or tribal representative of, traditionally and culturally affiliated California Native American tribes that have requested notice.
A lead agency shall begin the consultation process within 30 days of receiving a request for consultation from a California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed project, and prior to the release of a negative declaration, mitigated negative declaration or environmental impact report. For purposes of AB 52, "consultation shall have the same meaning as provided in Gov. Code § 65362.4 (SB 18)."
The following topics of consultation, if a tribe requests to discuss them, are mandatory topics of consultation:
  a. Alternatives to the project.
  b. Recommended mitigation measures.
  c. Significant effects.

1. The following topics are discretionary topics of consultation:
  a. Type of environmental review necessary.
  b. Significance of the tribal cultural resources.
  c. Significance of the project's impacts on tribal cultural resources.

If necessary, project alternatives or appropriate measures for preservation or mitigation that the tribe may recommend to the lead agency.

With some exceptions, any information, including but not limited to, the location, description, and use of tribal cultural resources submitted by a California Native American tribe during the environmental review process shall not be included in the environmental document or otherwise disclosed by the lead agency or any other public agency to the public, consistent with Government Code sections 6254 (r) and 6254.10. Any information submitted by a California Native American tribe during the consultation or environmental review process shall be published in a confidential appendix to the environmental document unless the tribe that provided the information consents, in writing, to the disclosure of some or all of the information to the public.

If a project may have a significant impact on a tribal cultural resource, the lead agency's environmental document shall discuss both of the following:
  a. Whether the proposed project has a significant impact on an identified tribal cultural resource.
  b. Whether feasible alternatives or mitigation measures, including those measures that may be agreed to pursuant to Public Resources Code section 21082.3, subdivision (a), avoid or substantially lessen the impact on the identified tribal cultural resource.

Consultation with a tribe shall be considered concluded when either of the following occurs:
  a. The parties agree to measures to mitigate or avoid a significant effect, if a significant effect exists, on a tribal cultural resource; or
  b. A party, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached.

Any mitigation measures agreed upon in the consultation conducted pursuant to Public Resources Code section 21080.3.2 shall be recommended for inclusion in the environmental document and in an adopted mitigation monitoring and reporting program, if determined to avoid or lessen the impact pursuant to Public Resources Code section 21082.3, subdivision (b), paragraph 2, and shall be fully enforceable.

If mitigation measures recommended by the staff of the lead agency as a result of the consultation process are not included in the environmental document or if there are no agreed upon mitigation measures at the conclusion of consultation, or if consultation does not occur, and if substantial evidence demonstrates that a project will cause a significant effect to a tribal cultural resource, the lead agency shall consider feasible mitigation pursuant to Public Resources Code section 21084.3 (b).

An environmental impact report may not be certified, nor may a mitigated negative declaration or a negative declaration be adopted unless one of the following occurs:
  a. The consultation process between the tribes and the lead agency has occurred as provided in Public Resources Code sections 21080.3.1 and 21080.3.2 and concluded pursuant to Public Resources Code section 21080.3.2.
  b. The tribe that requested consultation failed to provide comments to the lead agency or otherwise failed to engage in the consultation process.

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9 Pub. Resources Code § 21080.3.1, subs. (d) and (e)
10 Pub. Resources Code § 21080.3.1 (b)
11 Pub. Resources Code § 21080.3.2 (a)
12 Pub. Resources Code § 21080.3.2 (e)
13 Pub. Resources Code § 21080.3.2 (e)
14 Pub. Resources Code § 21080.3.2 (c)
15 Pub. Resources Code § 21080.3.2 (b)
16 Pub. Resources Code § 21080.3.2 (d)
17 Pub. Resources Code § 21080.3.2 (e)
c. The lead agency provided notice of the project to the tribe in compliance with Public Resources Code section 21080.3.1 (d) and the tribe failed to request consultation within 30 days. This process should be documented in the Tribal Cultural Resources section of your environmental document.

Under SB 18:

Government Code § 65352.3 (a) (1) requires consultation with Native Americans on general plan proposals for the purposes of preserving or mitigating impacts to places, features, and objects described § 5097.9 and § 5091.993 of the Public Resources Code that are located within the city or county's jurisdiction. Government Code § 65560 (a), (b), and (c) provides for consultation with Native American tribes on the open-space element of a county or city general plan for the purposes of protecting places, features, and objects described in Sections 5097.9 and 5091.993 of the Public Resources Code.

- SB 18 applies to local governments and requires them to contact, provide notice to, refer plans to, and consult with tribes prior to the adoption or amendment of a general plan or a specific plan, or the designation of open space. Local governments should consult the Governor's Office of Planning and Research's "Tribal Consultation Guidelines," which can be found online at: https://www.opr.ca.gov/docs/09_14_05_Updated_Guidelines_922.pdf
- Tribal Consultation: If a local government considers a proposal to adopt or amend a general plan or a specific plan, or to designate open space it is required to contact the appropriate tribes identified by the NAHC by requesting a "Tribal Consultation List." If a tribe, once contacted, requests consultation the local government must consult with the tribe on the plan proposal. A tribe has 90 days from the date of receipt of notification to request consultation unless a shorter timeframe has been agreed to by the tribe.
- There is no Statutory Time Limit on Tribal Consultation under the law.
- Confidentiality: Consistent with the guidelines developed and adopted by the Office of Planning and Research, the city or county shall protect the confidentiality of the information concerning the specific identity, location, character, and use of places, features and objects described in Public Resources Code sections 5097.9 and 5091.993 that are within the city's or county's jurisdiction.
- Conclusion Tribal Consultation: Consultation should be concluded at the point in which:
  - The parties to the consultation come to a mutual agreement concerning the appropriate measures for preservation or mitigation;
  - Either the local government or the tribe, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached concerning the appropriate measures of preservation or mitigation.

NAHC Recommendations for Cultural Resources Assessments:

- Contact the NAHC for:
  - A Sacred Lands File search. Remember that tribes do not always record their sacred sites in the Sacred Lands File, nor are they required to do so. A Sacred Lands File search is not a substitute for consultation with tribes that are traditionally and culturally affiliated with the geographic area of the project's APE.
  - A Native American Tribal Contact List of appropriate tribes for consultation concerning the project site and to assist in planning for avoidance, preservation in place, or, failing both, mitigation measures.
    - The request form can be found at http://nahc.ca.gov/resources/forms/.
- Contact the appropriate regional California Historical Research Information System (CHRIS) Center (http://bhp.parks.ca.gov/?page_id=1061) for an archaeological records search. The records search will determine:
  - If part or the entire APE has been previously surveyed for cultural resources.
  - If any known cultural resources have been already been recorded on or adjacent to the APE.
  - If the probability is low, moderate, or high that cultural resources are located in the APE.
  - If a survey is required to determine whether previously unrecorded cultural resources are present.
- If an archaeological inventory survey is required, the final stage is the preparation of a professional report detailing the findings and recommendations of the records search and field survey.
  - The final report containing site forms, site significance, and mitigation measures should be submitted immediately to the planning department. All information regarding site locations, Native American human remains, and associated funerary objects should be in a separate confidential addendum and not be made available for public disclosure.
  - The final written report should be submitted within 3 months after work has been completed to the appropriate regional CHRIS center.

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16 Pub. Resources Code § 21082.3 (d)
17 (Gov. Code § 65352.3 (a)(2)).
18 Pursuant to Gov. Code section 60402.
19 (Gov. Code § 65352.3 (b)).
20 (Tribal Consultation Guidelines, Governor's Office of Planning and Research (2003) at p. 18).
Examples of Mitigation Measures That May Be Considered to Avoid or Minimize Significant Adverse Impact to Tribal Cultural Resources:

- Avoidance and preservation of the resources in place, including, but not limited to:
  - Planning and construction to avoid the resources and protect the cultural and natural context.
  - Planning greenspace, parks, or other open space, to incorporate the resources with culturally appropriate protection and management criteria.
- Treating the resource with culturally appropriate dignity, taking into account the tribal cultural values and meaning of the resource, including, but not limited to, the following:
  - Protecting the cultural character and integrity of the resource.
  - Protecting the traditional use of the resource.
  - Protecting the confidentiality of the resource.
- Permanent conservation easements or other interests in real property, with culturally appropriate management criteria for the purposes of preserving or utilizing the resources or places.
- Please note that a federally recognized California Native American tribe or a non-federally recognized California Native American tribe that is on the contact list maintained by the NAHC to protect a California prehistoric, archaeological, cultural, spiritual, or ceremonial place may acquire and hold conservation easements if the conservation easement is voluntarily conveyed.23
- Please note that it is the policy of the state that Native American remains and associated grave artifacts shall be repatriated.24

The lack of surface evidence of archaeological resources (including tribal cultural resources) does not preclude their subsurface existence.

- Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the identification and evaluation of inadvertently discovered archaeological resources.25 In areas of identified archaeological sensitivity, a certified archaeologist and a culturally affiliated Native American with knowledge of cultural resources should monitor all ground-disturbing activities.
- Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the disposition of recovered cultural items that are not burial associated in consultation with culturally affiliated Native Americans.
- Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the treatment and disposition of inadvertently discovered Native American human remains. Health and Safety Code section 7053.5, Public Resources Code section 5097.08, and Cal. Code Regs., tit. 14, section 15084.5, subdivisions (d) and (e) (CEQA Guidelines section 15064.5, subds. (d) and (e)) address the processes to be followed in the event of an inadvertent discovery of any Native American human remains and associated grave goods in a location other than a dedicated cemetery.

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23 Civ. Code § 813.3 (c).
25 per Cal. Code Regs., tit. 14, section 15064.5(j) (CEQA Guidelines section 15064.5(j)).
RESPONSE TO COMMENT LETTER NO. PA-2
Gayle Totton, B.S., M.A., Ph.D., Associate Governmental Project Analyst
Native American Heritage Commission
February 7, 2017

PA 2-1 This is an introductory comment outlining the items reviewed by the Native American Heritage Commission (NAHC), and does not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 2-2 This comment notes the NAHC NOP response letter dated September 7, 2016 was not included in Appendix B, Notice of Preparation Comment Letters. Comment is acknowledged and the NAHC NOP response letter dated September 7, 2016 is attached herewith; see Attachment A. Further, as discussed in Responses PA 2-3 and PA 2-6 below, the Project's Cultural and Tribal Cultural analyses were conducted in compliance with CEQA, AB 52, and SB 18 requirements. Additionally, the record of consultation is available for review at the City of El Segundo Planning and Building Safety Department, 350 Main Street, El Segundo, CA 90245.

PA 2-3 This comment addresses the need for Cultural Resources analysis within the environmental document. DEIR Sections 8.5.a through 8.5.d, Cultural Resources, and DEIR Sections 8.17.a and 8.17.b, Tribal Cultural Resources, address Cultural and Tribal Cultural Resources. Impacts were found to be less than significant; see also DEIR Appendix A, Notice of Preparation/Initial Study/Environmental Checklist. Therefore, the Cultural Resources assessment was not included in the Executive Summary.

Potential impacts concerning Cultural and Tribal Cultural Resources were found to be less than significant, thus, no mitigation was required. Notwithstanding, the requirement for cultural resources monitoring during ground disturbing activities will be included in the Project's Conditions of Approval and will read as follows:

a. Archaeological and Native American monitoring shall be conducted for all ground disturbing activities within the Project site. Monitoring shall be performed under the direction of a qualified archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards for archaeology (National Park Service 1983). If cultural resources are encountered during ground-disturbing activities, work in the immediate area must halt and the find must be evaluated by the qualified archaeologist. Depending upon the nature of the find, if the discovery proves to be potentially significant under CEQA, as determined by the qualified archaeologist, additional work such as on site monitoring by a qualified Native American Tribal representative, data recovery excavation, avoidance of the area of the find, documentation, testing, data recovery, reburial, archival review and/or transfer to the appropriate museum or educational institution, or other appropriate actions may be warranted at the discretion of the qualified archaeologist. The archaeologist shall complete a report of excavations and findings, and submit the report to the Community Development Director. After the find is appropriately mitigated, work in the area may resume.
b. If human remains are found during ground disturbing activities, State of California Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the county coroner has made a determination of origin and disposition pursuant to Public Resources Code Section 5097.98. In the event of an unanticipated discovery of human remains, the County Coroner shall be notified immediately. If the human remains are determined to be prehistoric, the coroner shall notify the Native American Heritage Commission (NAHC), which shall determine and notify a most likely descendant (MLD). The MLD shall complete the inspection of the site within 48 hours of notification and may recommend scientific removal and nondestructive analysis of human remains and items associated with Native American burials.

PA 2-4 This comment addresses the need for Tribal Cultural Resources analysis within the environmental document; see Response PA 2-3.

PA 2-5 This comment addresses the need for mitigation measures addressing Tribal Cultural Resources within the environmental document. See Response PA 2-3.

PA 2-6 This comment discusses the California Environmental Quality Act (CEQA) guidelines pertaining to historical resources, Assembly Bill 52 (AB 52), and Senate Bill (SB 18), as well as the National Environmental Policy Act (NEPA) guidelines pertaining to tribal consultation requirements. The Project's Cultural and Tribal Cultural analyses were conducted in compliance with CEQA, AB 52, and SB 18 requirements. The record of consultation is available for review at the City of El Segundo Planning and Building Safety Department, 350 Main Street, El Segundo, CA 90245.

PA 2-7 This comment provides recommendations to continue to request Native American Tribal Consultation Lists and Sacred Lands File searches from the NAHC and consult with tribes affiliated with the geographic area early in the process. NAHC provided links to their online forms and links to additional information pertaining to AB 52. This comment does not address the DEIR's adequacy or raise a significant environmental issue. Refer also to Responses PA 2-3 and PA 2-6.

PA 2-8 This comment discusses the attachments provided with the letter. This comment does not address the DEIR's adequacy or raise a significant environmental issue. Refer also to Responses PA 2-3 and PA 2-6.

PA 2-9 This comment provides contact information for questions directed to the NAHC, and does not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 2-10 This comment provides a brief summary of portions of AB 52 and SB 18, and does not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 2-11 This comment provides NAHC's recommendation for conducting cultural resources assessments, and does not address the DEIR's adequacy or raise a significant environmental issue. Refer also to Responses PA 2-3 and PA 2-6.
September 7, 2016

 Gregg McClain, Planning Manager
 City of El Segundo
 350 Main Street
 El Segundo, CA 90245

 sent via e-mail:
 gmcclain@elsegundo.org

RE: SCH# 2016091003; The Lakes Specific Plan and Topgolf Facility Project, Notice of Preparation for Draft Environmental Impact Report, Los Angeles County, California

Dear Mr. McClain:

The Native American Heritage Commission has received the Notice of Preparation (NOP) for the project referenced above. The California Environmental Quality Act (CEQA) (Pub. Resources Code § 21000 et seq.), specifically Public Resources Code section 21084.1, states that a project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment. (Pub. Resources Code § 21084.1; Cal. Code Regs., tit.14, § 15064.5 (b) (CEQA Guidelines Section 15064.5 (b)).) If there is substantial evidence, in light of the whole record before a lead agency, that a project may have a significant effect on the environment, an environmental impact report (EIR) shall be prepared. (Pub. Resources Code § 21080 (d); Cal. Code Regs., tit. 14, § 15064 subd.(a)(1) (CEQA Guidelines § 15064 (a)(1)).) In order to determine whether a project will cause a substantial adverse change in the significance of a historical resource, a lead agency will need to determine whether there are historical resources with the area of project effect (APE).

CEQA was amended significantly in 2014. Assembly Bill 52 (Gatto, Chapter 532, Statutes of 2014) (AB 52) amended CEQA to create a separate category of cultural resources, “tribal cultural resources” (Pub. Resources Code § 21074) and provides that a project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource is a project that may have a significant effect on the environment. (Pub. Resources Code § 21084.2.) Public agencies shall, when feasible, avoid damaging effects to any tribal cultural resource. (Pub. Resources Code § 21084.3 (a).) AB 52 applies to any project for which a notice of preparation or a notice of negative declaration or mitigated negative declaration is filed on or after July 1, 2015. If your project involves the adoption of or amendment to a general plan or a specific plan, or the designation or proposed designation of open space, on or after March 1, 2005, it may also be subject to Senate Bill 18 (Burton, Chapter 905, Statutes of 2004) (SB 18). Both SB 18 and AB 52 have tribal consultation requirements. If your project is also subject to the federal National Environmental Policy Act (42 U.S.C. § 4321 et seq.) (NEPA), the tribal consultation requirements of Section 106 of the National Historic Preservation Act of 1966 (15 U.S.C. 300101, 36 C.F.R. § 800 et seq.) may also apply.

The NAHC recommends lead agencies consult with all California Native American tribes that are traditionally and culturally affiliated with the geographic area of your proposed project as early as possible in order to avoid inadvertent discoveries of Native American human remains and best protect tribal cultural resources. Below is a brief summary of portions of AB 52 and SB 18 as well as the NAHC’s recommendations for conducting cultural resources assessments. Consult your legal counsel about compliance with AB 52 and SB 18 as well as compliance with any other applicable laws.

AB 52

AB 52 has added to CEQA the additional requirements listed below, along with many other requirements:

1. Fourteen Day Period to Provide Notice of Completion of an Application/decision to Undertake a Project: Within fourteen (14) days of determining that an application for a project is complete or of a decision by a public agency to undertake a project, a lead agency shall provide formal notification to a designated contact of, or tribal representative of, traditionally and culturally affiliated California Native American tribes that have requested notice, to be accomplished by at least one written notice that includes:
   a. A brief description of the project.
   b. The lead agency contact information.
   c. Notification that the California Native American tribe has 30 days to request consultation. (Pub. Resources Code § 21080.3.1 (d)).
   d. A "California Native American tribe" is defined as a Native American tribe located in California that is on the contact list maintained by the NAHC for the purposes of Chapter 905 of Statutes of 2004 (SB 18). (Pub. Resources Code § 21073).
2. **Begin Consultation Within 30 Days of Receiving a Tribe’s Request for Consultation and Before Releasing a Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report:** A lead agency shall begin the consultation process within 30 days of receiving a request for consultation from a California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed project. (Pub. Resources Code § 21080.3.1, subds. (d) and (e)) and prior to the release of a negative declaration, mitigated negative declaration or environmental impact report. (Pub. Resources Code § 21080.3.1(b)).
   a. For purposes of AB 52, "consultation shall have the same meaning as provided in Gov. Code § 65362.4 (SB 18). (Pub. Resources Code § 21080.3.1 (b)).

3. **Mandatory Topics of Consultation if Requested by a Tribe:** The following topics of consultation, if a tribe requests to discuss them, are mandatory topics of consultation:
   a. Alternatives to the project.
   b. Recommended mitigation measures.
   c. Significant effects. (Pub. Resources Code § 21080.3.2 (a)).

4. **Discretionary Topics of Consultation:** The following topics are discretionary topics of consultation:
   a. Type of environmental review necessary.
   b. Significance of the tribal cultural resources.
   c. Significance of the project’s impacts on tribal cultural resources.
   d. If necessary, project alternatives or appropriate measures for preservation or mitigation that the tribe may recommend to the lead agency. (Pub. Resources Code § 21080.3.2 (a)).

5. **Confidentiality of Information Submitted by a Tribe During the Environmental Review Process:** With some exceptions, any information, including but not limited to, the location, description, and use of tribal cultural resources submitted by a California Native American tribe during the environmental review process shall not be included in the environmental document or otherwise disclosed by the lead agency or any other public agency to the public, consistent with Government Code sections 6254 (e) and 6254.10. Any information submitted by a California Native American tribe during the consultation or environmental review process shall be published in a confidential appendix to the environmental document unless the tribe that provided the information consents, in writing, to the disclosure of some or all of the information to the public. (Pub. Resources Code § 21080.3.2 (c)(1)).

6. **Discussion of Impacts to Tribal Cultural Resources in the Environmental Document:** If a project may have a significant impact on a tribal cultural resource, the lead agency’s environmental document shall discuss both of the following:
   a. Whether the proposed project has a significant impact on an identified tribal cultural resource.
   b. Whether feasible alternatives or mitigation measures, including those measures that may be agreed to pursuant to Public Resources Code section 21082.3, subdivision (a), avoid or substantially lessen the impact on the identified tribal cultural resource. (Pub. Resources Code § 21082.3 (b)).

7. **Conclusion of Consultation:** Consultation with a tribe shall be considered concluded when either of the following occurs:
   a. The parties agree to measures to mitigate or avoid a significant effect, if a significant effect exists, on a tribal cultural resource; or
   b. A party, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached. (Pub. Resources Code § 21080.3.2 (b)).

8. **Recommendation of Mitigation Measures Agreed Upon in Consultation in the Environmental Document:** Any mitigation measures agreed upon in the consultation conducted pursuant to Public Resources Code section 21080.3.2 shall be recommended for inclusion in the environmental document and in an adopted mitigation monitoring and reporting program, if determined to avoid or lessen the impact pursuant to Public Resources Code section 21082.3, subdivision (b), paragraph 2, and shall be fully enforceable. (Pub. Resources Code § 21082.3 (a)).

9. **Required Consideration of Feasible Mitigation:** If mitigation measures recommended by the staff of the lead agency as a result of the consultation process are not included in the environmental document or if there are no agreed upon mitigation measures at the conclusion of consultation, or if consultation does not occur, and if substantial evidence demonstrates that a project will cause a significant effect to a tribal cultural resource, the lead agency shall consider feasible mitigation pursuant to Public Resources Code section 21084.3 (b). (Pub. Resources Code § 21082.3 (e)).

10. **Examples of Mitigation Measures That, If Feasible, May Be Considered to Avoid or Minimize Significant Adverse Impacts to Tribal Cultural Resources:**
    a. Avoidance and preservation of the resources in place, including, but not limited to:
       i. Planning and construction to avoid the resources and protect the cultural and natural context.
II. Planning greenspace, parks, or other open space, to incorporate the resources with culturally appropriate protection and management criteria.

b. Treating the resource with culturally appropriate dignity, taking into account the tribal cultural values and meaning of the resource, including, but not limited to, the following:
   i. Protecting the cultural character and integrity of the resource.
   ii. Protecting the traditional use of the resource.
   iii. Protecting the confidentiality of the resource.

c. Permanent conservation easements or other interests in real property, with culturally appropriate management criteria for the purposes of preserving or utilizing the resources or places.

d. Protecting the resource. (Pub. Resource Code § 21084.3 (b))

e. Please note that a federally recognized California Native American tribe or a nonfederally recognized California Native American tribe that is on the contact list maintained by the NAHC to protect a California prehistoric, archaeological, cultural, spiritual, or ceremonial place may acquire and hold conservation easements if the conservation easement is voluntarily conveyed. (Civ. Code § 815.3 (c))

f. Please note that it is the policy of the state that Native American remains and associated grave artifacts shall be repatriated. (Pub. Resources Code § 5097.991).

11. Prerequisites for Certifying an Environmental Impact Report or Adopting a Mitigated Negative Declaration or Negative Declaration with a Mitigated Significant Impact on an Identified Tribal Cultural Resource: An environmental impact report may not be certified, nor may a mitigated negative declaration or a negative declaration be adopted unless one of the following occurs:

a. The consultation process between the tribes and the lead agency has occurred as provided in Public Resources Code sections 21080.3.1 and 21080.3.2 and concluded pursuant to Public Resources Code section 21080.3.2.

b. The tribe that requested consultation failed to provide comments to the lead agency or otherwise failed to engage in the consultation process.

c. The lead agency provided notice of the project to the tribe in compliance with Public Resources Code section 21080.3.1 (d) and the tribe failed to request consultation within 30 days. (Pub. Resources Code § 21082.3 (d)).

This process should be documented in the Cultural Resources section of your environmental document.

The NAHC’s PowerPoint presentation titled, “Tribal Consultation Under AB 52: Requirements and Best Practices” may be found online at: http://nahc.ca.gov/wp-content/uploads/2015/10/AB52TribalConsultation_CallEPAPDF.pdf

SB 18

SB 18 applies to local governments and requires local governments to contact, provide notice to, refer plans to, and consult with tribes prior to the adoption or amendment of a general plan or a specific plan, or the designation of open space. (Gov. Code § 65352.3). Local governments should consult the Governor’s Office of Planning and Research’s “Tribal Consultation Guidelines,” which can be found online at: https://www.cpr.ca.gov/docs/09_14_05 Updated Guidelines 922.pdf

Some of SB 18’s provisions include:

1. Tribal Consultation: If a local government considers a proposal to adopt or amend a general plan or a specific plan, or to designate open space it is required to contact the appropriate tribes identified by the NAHC by requesting a "Tribal Consultation List." If a tribe, once contacted, requests consultation the local government must consult with the tribe on the plan proposal. A tribe has 90 days from the date of receipt of notification to request consultation unless a shorter timeframe has been agreed to by the tribe. (Gov. Code § 65352.3 (a)(2)).

2. No Statutory Time Limit on SB 18 Tribal Consultation: There is no statutory time limit on SB 18 tribal consultation.

3. Confidentiality: Consistent with the guidelines developed and adopted by the Office of Planning and Research pursuant to Gov. Code section 65040.2, the city or county shall protect the confidentiality of the information concerning the specific identity, location, character, and use of places, features and objects described in Public Resources Code sections 5097.9 and 5097.993 that are within the city’s or county’s jurisdiction. (Gov. Code § 65352.3 (b)).

4. Conclusion of SB 18 Tribal Consultation: Consultation should be concluded at the point in which:

a. The parties to the consultation come to a mutual agreement concerning the appropriate measures for preservation or mitigation; or

b. Either the local government or the tribe, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached concerning the appropriate measures of preservation or mitigation. (Tribal Consultation Guidelines, Governor’s Office of Planning and Research (2005) at p. 18).

Agencies should be aware that neither AB 52 nor SB 18 precludes agencies from initiating tribal consultation with tribes that are traditionally and culturally affiliated with their jurisdictions before the timeframes provided in AB 52 and SB 18. For that reason, we urge you to continue to request Native American Tribal Contact Lists and “Sacred Lands File” searches from the NAHC. The request forms can be found online at: http://nahc.ca.gov/resources/forms/
NAHC Recommendations for Cultural Resources Assessments

To adequately assess the existence and significance of tribal cultural resources and plan for avoidance, preservation in place, or barring both, mitigation of project-related impacts to tribal cultural resources, the NAHC recommends the following actions:

1. Contact the appropriate regional California Historical Research Information System (CHRIS) Center (http://ohp.parks.ca.gov/?page_id=1068) for an archaeological records search. The records search will determine:
   a. If part or all of the APE has been previously surveyed for cultural resources.
   b. If any known cultural resources have been already been recorded on or adjacent to the APE.
   c. If the probability is low, moderate, or high that cultural resources are located in the APE.
   d. If a survey is required to determine whether previously unrecorded cultural resources are present.

2. If an archaeological inventory survey is required, the final stage is the preparation of a professional report detailing the findings and recommendations of the records search and field survey.
   a. The final report containing site forms, site significance, and mitigation measures should be submitted immediately to the planning department. All information regarding site locations, Native American human remains, and associated funerary objects should be in a separate confidential addendum and not be made available for public disclosure.
   b. The final written report should be submitted within 3 months after work has been completed to the appropriate regional CHRIS center.

3. Contact the NAHC for:
   a. A Sacred Lands File search. Remember that tribes do not always record their sacred sites in the Sacred Lands File, nor are they required to do so. A Sacred Lands File search is not a substitute for consultation with tribes that are traditionally and culturally affiliated with the geographic area of the project’s APE.
   b. A Native American Tribal Consultation List of appropriate tribes for consultation concerning the project site and to assist in planning for avoidance, preservation in place, or, failing both, mitigation measures.

4. Remember that the lack of surface evidence of archaeological resources (including tribal cultural resources) does not preclude their subsurface existence.
   a. Lead agencies should include in their mitigation and monitoring reporting program plan provisions for the identification and evaluation of inadvertently discovered archaeological resources per Cal. Code Regs., tit. 14, section 15064.5(f) (CEQA Guidelines section 15064.5(f)). In areas of identified archaeological sensitivity, a certified archaeologist and a culturally affiliated Native American with knowledge of cultural resources should monitor all ground-disturbing activities.
   b. Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the disposition of recovered cultural items that are not burial associated in consultation with culturally affiliated Native Americans.
   c. Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the treatment and disposition of inadvertently discovered Native American human remains. Health and Safety Code section 7060.5, Public Resources Code section 5097.98, and Cal. Code Regs., tit. 14, section 15064.5, subdivisions (d) and (e) (CEQA Guidelines section 15064.5, subds. (d) and (e)) address the processes to be followed in the event of an inadvertent discovery of any Native American human remains and associated grave goods in a location other than a dedicated cemetery.

Please contact me if you need any additional information at gayle.totton@nahc.ca.gov.

Sincerely,

[Signature]

Gayle Totton, M.A., PhD.
Associate Governmental Program Analyst

cc: State Clearinghouse
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February 22, 2017

Gregg McClain, Planning Manager
City of El Segundo
Planning and Building Safety
350 Main Street
El Segundo, CA 90245

Dear Mr. McClain:

NOTICE OF AVAILABILITY OF A DRAFT ENVIRONMENTAL IMPACT REPORT, "LAKES SPECIFIC PLAN AND TOPGOLF PROJECT," PROPOSES TO REPLACE THE EXISTING TWO-LEVEL 57-BAY DRIVING RANGE WITH A THREE-STORY TOPGOLF FACILITY, INCLUDING MODIFICATIONS TO THE FAIRWAYS AND LAYOUTS OF THREE HOLES AT THE EXISTING GOLF COURSE, PARKING LOT EXPANSION, REPLACING DRIVING RANGE WITH HIGH DENSITY FIBER TURF, AND DEMOLITION OF THE EXISTING CLUBHOUSE AND CONSTRUCTION OF A NEW CLUBHOUSE, 400 SOUTH SEPVULVEDA, EL SEGUNDO, FFER 201700014

The Notice of Availability of a Draft Environmental Impact Report has been reviewed by the Planning Division, Land Development Unit, Forestry Division, and Health Hazardous Materials Division of the County of Los Angeles Fire Department.

The following are their comments:

PLANNING DIVISION:

The subject property is entirely within the City of El Segundo which is not a part of the emergency response area of the Los Angeles County Fire Department (also known as the Consolidated Fire Protection District of Los Angeles County). Therefore this project does not appear to have any impact on the emergency responsibilities of this Department.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS  ARTEA  ARTESA  AZUSA  BALDWIN PARK  BELL  BELL GARDENS  BELLFLOWER  BRADBURY  CALABASAS  CARSON  CERRITOS  CLAREMONT  COMMERCE  COVINA  CUDAHY  DIAMOND BAR  DUARTE  EL MONTE  GARDENA  GLENDALE  HAWTHORNE  HIDDEN HILLS  HUNTINGTON PARK  INDUSTRY  INGLEWOOD  IRWINDALE  LA CANADA-FLINTRIDGE  LA HABRA  LA MIRADA  LA PUENTE  LAKESWOOD  LANCASTER  LAWNDALE  LOMITA  LYNWOOD  MAJIBU  MAYWOOD  MIRA Loma  NORTHLAKE  PALMIALE  PALOS VERDES ESTATES  PALOS VERDES  PARAMOUNT  PICO RIVERA  POMONA  RANCHO PALOS VERDES  ROLLING HILLS  ROLLING HILLS ESTATES  ROSEMEAD  SAN DIMAS  SANTA CLARITA  SIGNAL HILL  SOUTH EL MONTE  SOUTH GATE  TEMPLE CITY  WALNUT  WEST HOLLYWOOD  WESTLAKE VILLAGE  WILMINGTON  WHITTIER
LAND DEVELOPMENT UNIT:

This project is located entirely in the City of El Segundo. Therefore the City of El Segundo Fire Department has jurisdiction concerning this project and will be setting conditions. This project is located in close proximity to the jurisdictional area of the Los Angeles County Fire Department. However this project is unlikely to have an impact that necessitates a comment concerning general requirements from the Land Development Unit of the Los Angeles County Fire Department.

Should any questions arise regarding subdivision, water systems, or access, please contact the County of Los Angeles Fire Department Land Development Unit’s, Inspector Nancy Rodeheffer at (323) 890-4243.

The County of Los Angeles Fire Department’s Land Development Unit appreciates the opportunity to comment on this project.

FORESTRY DIVISION – OTHER ENVIRONMENTAL CONCERNS:

The statutory responsibilities of the County of Los Angeles Fire Department’s Forestry Division include erosion control, watershed management, rare and endangered species, vegetation, fuel modification for Very High Fire Hazard Severity Zones or Fire Zone 4, archeological and cultural resources, and the County Oak Tree Ordinance. Potential impacts in these areas should be addressed.

HEALTH HAZARDOUS MATERIALS DIVISION:

The Health Hazardous Materials Division of the Los Angeles County Fire Department has no comment regarding the project. Notify the El Segundo Fire Department, Certified Unified Program Agency if contaminated soil is encountered during development/construction activities.

If you have any additional questions, please contact this office at (323) 890-4330.

Very truly yours,

FRANK VIDALES, CHIEF, FORESTRY DIVISION
PREVENTION SERVICES BUREAU

FV:ac
RESPONSE TO COMMENT LETTER NO. PA-3
Frank Vidales, Chief, Forestry Division Prevention Services Bureau
County of Los Angeles Fire Department
February 22, 2017

PA 3-1 This is an introductory comment briefly describing the Project and the County of Los Angeles Fire Department (LACFD) divisions that reviewed the environmental document. This comment does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 3-2 This comment addresses the LACFD emergency response area and states that the subject property is not located within that area. This comment concludes that the Project does not appear to have any impact on the LACFD emergency responsibilities. This comment does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 3-3 This comment concludes that although the Project site is in close proximity to the LACFD jurisdictional area, it is unlikely that potential Project impacts would necessitate a comment concerning LACFD Land Development Unit general requirements. This comment provides contact information in the event that questions arise regarding subdivision, water systems, or access, and does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 3-4 This comment discusses the LACFD Forestry Division statutory responsibilities including erosion control, watershed management, rare and endangered species, vegetation, fuel modification for Very High Fire Hazard Severity Zones or Fire Zone 4, archeological and cultural resources, and the County Oak Tree Ordinance and states that potential impacts in these areas should be addressed. The issues raised in this comment are addressed in the DEIR, as follows:

- Erosion Control and Watershed Management: Section 5.4, Hydrology and Water Quality;
- Rare and Endangered Species: Section 8.18.a;
- Vegetation (including Tree Preservation Policies and Ordinances): Sections 8.2.a through 8.2.e, and Section 8.4.e;
- Cultural Resources (including Archeological Resources): Sections 8.5.a through 8.5.d.
- Fire Protection: Section 5.7, Public Services and Recreation.

PA 3-5 This comment concludes that the LACFD Health Hazardous Materials Division has no comment regarding the Project and provides contact information in the event contaminated soil is encountered. This comment does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 3-6 This comment provides contact information for questions directed to the County of Los Angeles Fire Department, and does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.
March 6, 2017

Mr. Gregg McClain, Planning Manager
City of El Segundo
Department of Planning and Building Safety
350 Main Street
El Segundo, California 90245

RE: Comments to the Draft Environmental Impact Report for The Lakes Specific Plan and Topgolf Facility

Dear Mr. McClain,

Thank you for the opportunity to provide comments to the Draft Environmental Impact Report for The Lakes Specific Plan and Topgolf Facility Project. We have no comments at this time regarding the Draft EIR or The Lakes Specific Plan and Topgolf Facility Project. However, we request that you continue to apprise us of developments in the CEQA process for this project.

Should you have any questions please contact me at (310) 412-5230. We look forward to receiving updates on the status of this project and we appreciate the opportunity to provide input.

Sincerely,

Mindy Wilcox, AICP
Planning Manager
RESPONSE TO COMMENT LETTER NO. PA-4
Mindy Wilcox, AICP, Planning Manager
City of Inglewood Economic and Community Development Department, Planning Division
March 6, 2017

PA 4-1 This comment notes that the City of Inglewood has no comment concerning the DEIR or The Lakes Specific Plan and Topgolf Facility Project; however, the City of Inglewood would like to continue to be informed of developments in the CEQA process. This comment is so noted. This comment does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 4-2 This comment provides contact information for questions directed to the City of Inglewood, and does not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.
March 10, 2017
Ref. Doc. No.: 4026399

Mr. Gregg McClain, Planning Manager
Planning and Building Safety Department
City of El Segundo
350 Main Street
El Segundo, CA 90245

Dear Mr. McClain:

Response to DEIR for
The Lakes Specific Plan Project and Topgolf Facility

The Sanitation Districts of Los Angeles County (Districts) received a Draft Environmental Impact Report (DEIR) for the subject project on January 26, 2017. The proposed project is located within the jurisdictional boundary of District No. 5. We offer the following comments:

5.9.1 EXISTING REGULATORY SETTINGS

1. WASTEWATER Federal, page 5.9-6, top of page – Before discharging into the Pacific Ocean through a network of outfalls, the treated wastewater is disinfected with sodium hypochlorite. The outfalls extend 1 ½ miles off the Palos Verdes Peninsula to a depth of 200 feet.

2. WASTEWATER Regional, page 5.9.6, last paragraph – In determining the impact to the Sewerage System and applicable connection fees, the Districts’ Chief Engineer will determine the user category (e.g. Condominium, Single Family home, etc.) that best represents the actual anticipated use of the parcel or facilities on the parcel.

5.9.2 EXISTING ENVIRONMENTAL SETTINGS

1. Wastewater Facilities, page 5.9-13, Wastewater Treatment paragraph - The Joint Water Pollution Control Plant (JWPCP) currently processes an average flow of 253.4 million gallons per day. Please adjust figures accordingly throughout the remainder of the document.

If you have any questions, please contact the undersigned at (562) 908-4288, extension 2717.

Very truly yours,

Adriana Raza
Customer Service Specialist
Facilities Planning Department

AR:ar

DOC: #4078482.D05
RESPONSE TO COMMENT LETTER NO. PA-5
Adriana Raza, Customer Service Specialist, Facilities Planning Department
County Sanitation Districts of Los Angeles County
March 10, 2017

PA 5-1 These comments are introductory and state that the Project is located within County Sanitation Districts of Los Angeles County District No. 5 jurisdictional boundary. This comment does not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 5-2 This comment acknowledges the existing regulatory setting discussions included on DEIR page 5.9-6. This comment does not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 5-3 This comment provides the updated Joint Water Pollution Control Plant (JWPCP) wastewater treatment average flow volume of 253.4 million gallons per day (MGD). The DEIR assumed a wastewater treatment average flow volume of 380 MGD. To clarify the JWPCP's wastewater treatment average flow volume, DEIR pages 5.9-13, 5.9-19, and 5.9-25 are revised in the FEIR, as indicated below. It is noted, these revisions do not result in a new impact or substantial increase in the severity of an environmental impact identified in the DEIR. Moreover, the new information does not affect the DEIR’s overall conclusions.

DEIR page 5.9-13 is revised in the FEIR, as follows:

**Wastewater Treatment.** Wastewater originating from the Project site is treated at the JWPCP located in the City of Carson. The facility, which has a design capacity of 400 MGD, provides both primary and secondary treatment of approximately 380 MGD 253.4 MGD of wastewater.¹

DEIR page 5.9-19 is revised in the FEIR, as follows:

According to the Districts, the Project's projected increase in average daily wastewater generation beyond existing conditions is estimated at 7,705 gpd.² The Districts' 24-inch diameter trunk sewer has a design capacity of 4.6 MGD and conveyed a peak flow of 0.6 MGD, when last measured in 2011. The JWPCP is currently operating at approximately 95 percent 65 percent capacity, based on a design capacity of 400 MGD and the current treatment of approximately 380 MGD 253.4 MGD. Therefore, approximately 20 MGD 147 MGD of available capacity exists at the JWPCP. The increase in wastewater generated by the Project (approximately 7,705 gpd) represents approximately 0.0004 percent of the remaining capacity. Thus, the proposed development would not exceed the

² County Sanitation Districts of Los Angeles County, Response to the NOP for The Lakes Specific Plan Project and Topgolf Facility, October 3, 2016.
available capacity at the JWPCP. Therefore, adequate capacity exists to serve the Project's projected demand and Project implementation would not require increases to the Districts truck sewer or in the JWPCP's design capacities. Project implementation would not require or result in the construction of new wastewater facilities or expansion of existing facilities beyond the construction of the new sewer laterals located onsite. A less than significant impact would occur in this regard.

DEIR page 5.9-25 is revised in the FEIR, as follows:

Written Correspondence: Pena, Samuel, Municipal Relationship Manager, Republic Services, November 1, 2016.

Written Correspondence: Raza, Adriana, Customer Service Specialist, County Sanitation Districts of Los Angeles County, March 10, 2017.

PA 5-4 This comment provides contact information for questions directed to the County Sanitation Districts of Los Angeles County, and does not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.
March 13, 2017

Mr. Gregg McClain  
City of El Segundo  
350 Main Street  
El Segundo, CA 90245  

Re: The Lakes Specific Plan Project  
Vic: LA-1  
SCH# 2016091003  
GTS# LA-2016-00579ME-DEIR

Dear Mr. McClain:

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the proposed The Lakes Specific Plan Project, located in the City of El Segundo, near State Route-1.

The proposed Lakes Specific Plan consists of the 26.54-acre area that currently comprises The Lakes at El Segundo. The project proposes to replace the existing driving range with a Topgolf facility on approximately 12 acres. Other improvements would include modifications to the fairways/layout of the existing golf course, parking lot expansion, screening pole installation, replacement of existing net poles, turf installation, and demolition, construction of a new clubhouse.

Caltrans has reviewed the traffic study and does not have any further comments.

In the Spirit of mutual cooperation, Caltrans staff is available to work with your planners and traffic engineers for this project, if needed. If you have any questions regarding these comments, please contact project coordinator Ms. Miya Edmorsone, at (213) 897-6536 and refer to GTS# LA-2016-00579ME.

Sincerely,

[Signature]

DIANNA WATSON  
IGR/CEQA Branch Chief

cc: Scott Morgan, State Clearinghouse

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"
RESPONSE TO COMMENT LETTER NO. PA-6
Dianna Watson, IGR/CEQA Branch Chief
California Department of Transportation
March 13, 2017

PA 6-1 These comments are introductory and briefly describing the Project, and do not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 6-2 The comment state that Caltrans reviewed the Traffic Impact Analysis and has no further comments. This comment also provides contact information for questions directed to Caltrans. These comments do not address the DEIR's adequacy or raise a significant environmental issue. As such, no further response is necessary.
September 26, 2016

City of El Segundo – Planning and Building Safety Department
350 Main Street
El Segundo, CA 90245
Attention: Gregg McClain, Planning Manager


Dear Mr. Chalfant:

Thank you for the opportunity to comment on the proposed Lakes Specific Plan Project and Topgolf Facility, comprised of three properties totaling approximately 31 acres and generally located at 400 South Sepulveda Boulevard in the City of El Segundo. This letter conveys recommendations from the Los Angeles County Metropolitan Transportation Authority (Metro) concerning issues that are germane to our agency’s statutory responsibility in relation to our facilities and services that may be affected by the proposed project.

Project Description:

The project site is located in the southeast quadrant of the City of El Segundo. It includes three areas generally located at 400 South Sepulveda Boulevard, north of South Hughes Way and south of East El Segundo Boulevard, totaling approximately 31 acres. These areas consist of The Lakes at El Segundo, a generally triangular-shaped area of approx. 26.6 acres and the subject of The Lakes Specific Plan; an approx. 3.6-acre Southern California Edison easement immediately east of The Lakes; and an approx. 0.7-acre portion of West Basin Municipal Water District’s property immediately south of The Lakes.

The Lakes Specific Plan development project proposes to replace the existing two-level, 57-bay driving range with a three-story TopGolf facility on approx. 12-acres located within the southern portion of the site. Other project improvements would include modifications to the fairways and layouts of three holes at the existing golf course, parking lot expansion, screening pole installation, replacement of existing net poles, replacing driving range grass with high density fiber turf, and demolition of the existing clubhouse and construction of a new clubhouse.

Metro Comments:

*Bus Operations:*
Metro bus line 232 operates on South Sepulveda Boulevard, adjacent to the proposed project. Although the project is not expected to result in any long-term impacts on transit, the developer should be aware of the bus services that are present. Please contact Metro Bus Operations Control Special Events Coordinator at 213-922-4632 regarding construction activities that may impact Metro bus lines at least 30 days in advance of initiating construction activities. For closures that last more
than six months, Metro’s Stops and Zones Department will also need to be notified at 213-922-5188, 30 days in advance of initiating construction activities. Other municipal bus operators may also be impacted and should be included in construction outreach efforts.

First/Last Mile Connections:
To support first/last mile connections to transit service, LACMTA encourages the installation of pedestrian lighting, shade trees, and other amenities along the primary building frontage to improve pedestrian safety and comfort to access bus stops. The City should consider requesting the installation of such amenities as part of the development of the site.

Active Transportation:

1. Provide safe and convenient connections for pedestrians, people riding bicycles, and users of Metro systems and other transit services to and from the project.

2. Provide wayfinding signage to facilitate the usage of amenities for pedestrians, people riding bicycles, and transit services including Metro and others.

3. Promote the use of bicycles by:
   a. Providing adequate short-term bicycle parking amenities such as bicycle racks and/or curbside bicycle corrals on-site and/or in the public right-off-way.
   b. Considering providing adequate secure long-term bicycle parking for employees.

Congestion Management Program:
Beyond impacts to Metro facilities and operations, Metro must also notify the applicant of state requirements. A Transportation Impact Analysis (TIA), with roadway and transit components, is required under the State of California Congestion Management Program (CMP) statute. The CMP TIA Guidelines are published in the “2010 Congestion Management Program for Los Angeles County”, Appendix D (attached). The geographic area examined in the TIA must include the following, at a minimum:

1. All CMP arterial monitoring intersections, including monitored freeway on/off-ramp intersections, where the proposed project will add 50 or more trips during either the a.m. or p.m. weekday peak hour (of adjacent street traffic).

2. If CMP arterial segments are being analyzed rather than intersections, the study area must include all segments where the proposed project will add 50 or more peak hour trips (total of both directions). Within the study area, the TIA must analyze at least one segment between monitored CMP intersections.

3. Mainline freeway-monitoring locations where the project will add 150 or more trips, in either direction, during either the a.m. or p.m. weekday peak hour.

4. Caltrans must also be consulted through the NOP process to identify other specific locations to be analyzed on the state highway system.

The CMP TIA requirement also contains two separate impact studies covering roadways and transit, as outlined in Sections D.8.1 – D.9.4. If the TIA identifies no facilities for study based on the criteria
above, no further traffic analysis is required. However, projects must still consider transit impacts. For all CMP TIA requirements please see the attached guidelines.

If you have any questions regarding this response, please contact Elizabeth Carvajal at 213-922-3084 or by email at DevReview@metro.net. Metro looks forward to reviewing the Final EIR. Please send it to the following address:

Metro Development Review
One Gateway Plaza MS 99-23-4
Los Angeles, CA 90012-2952

Sincerely,

Elizabeth Carvajal
Sr. Manager, Transportation Planning

Attachment: CMP Appendix D: Guidelines for CMP Transportation Impact Analysis
 GUIDELINES FOR CMP TRANSPORTATION IMPACT ANALYSIS

Important Notice to User: This section provides detailed travel statistics for the Los Angeles area which will be updated on an ongoing basis. Updates will be distributed to all local jurisdictions when available. In order to ensure that impact analyses reflect the best available information, lead agencies may also contact MTA at the time of study initiation. Please contact MTA staff to request the most recent release of "Baseline Travel Data for CMP TIAs."

D.1 OBJECTIVE OF GUIDELINES

The following guidelines are intended to assist local agencies in evaluating impacts of land use decisions on the Congestion Management Program (CMP) system, through preparation of a regional transportation impact analysis (TIA). The following are the basic objectives of these guidelines:

☐ Promote consistency in the studies conducted by different jurisdictions, while maintaining flexibility for the variety of project types which could be affected by these guidelines.

☐ Establish procedures which can be implemented within existing project review processes and without ongoing review by MTA.

☐ Provide guidelines which can be implemented immediately, with the full intention of subsequent review and possible revision.

These guidelines are based on specific requirements of the Congestion Management Program, and travel data sources available specifically for Los Angeles County. References are listed in Section D.10 which provide additional information on possible methodologies and available resources for conducting TIAs.

D.2 GENERAL PROVISIONS

Exhibit D-7 provides the model resolution that local jurisdictions adopted containing CMP TIA procedures in 1993. TIA requirements should be fulfilled within the existing environmental review process, extending local traffic impact studies to include impacts to the regional system. In order to monitor activities affected by these requirements, Notices of Preparation (NOPs) must be submitted to MTA as a responsible agency. Formal MTA approval of individual TIAs is not required.

The following sections describe CMP TIA requirements in detail. In general, the competing objectives of consistency & flexibility have been addressed by specifying standard, or minimum, requirements and requiring documentation when a TIA varies from these standards.

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D.3 PROJECTS SUBJECT TO ANALYSIS

In general a CMP TIA is required for all projects required to prepare an Environmental Impact Report (EIR) based on local determination. A TIA is not required if the lead agency for the EIR finds that traffic is not a significant issue, and does not require local or regional traffic impact analysis in the EIR. Please refer to Chapter 5 for more detailed information.

CMP TIA guidelines, particularly intersection analyses, are largely geared toward analysis of projects where land use types and design details are known. Where likely land uses are not defined (such as where project descriptions are limited to zoning designation and parcel size with no information on access location), the level of detail in the TIA may be adjusted accordingly. This may apply, for example, to some redevelopment areas and citywide general plans, or community level specific plans. In such cases, where project definition is insufficient for meaningful intersection level of service analysis, CMP arterial segment analysis may substitute for intersection analysis.

D.4 STUDY AREA

The geographic area examined in the TIA must include the following, at a minimum:

- All CMP arterial monitoring intersections, including monitored freeway on- or off-ramp
  intersections, where the proposed project will add 50 or more trips during either the
  AM or PM weekday peak hours (of adjacent street traffic).

- If CMP arterial segments are being analyzed rather than intersections (see Section D.3),
  the study area must include all segments where the proposed project will add 50 or
  more peak hour trips (total of both directions). Within the study area, the TIA must
  analyze at least one segment between monitored CMP intersections.

- Mainline freeway monitoring locations where the project will add 150 or more trips, in
  either direction, during either the AM or PM weekday peak hours.

- Caltrans must also be consulted through the Notice of Preparation (NOP) process to
  identify other specific locations to be analyzed on the state highway system.

If the TIA identifies no facilities for study based on these criteria, no further traffic analysis
is required. However, projects must still consider transit impacts (Section D.8.4).

D.5 BACKGROUND TRAFFIC CONDITIONS

The following sections describe the procedures for documenting and estimating
background, or non-project related traffic conditions. Note that for the purpose of a TIA,
these background estimates must include traffic from all sources without regard to the
exemptions specified in CMP statute (e.g., traffic generated by the provision of low and very
low income housing, or trips originating outside Los Angeles County. Refer to Chapter 5,
Section 5.2.3 for a complete list of exempted projects).

D.5.1 Existing Traffic Conditions. Existing traffic volumes and levels of service (LOS) on
the CMP highway system within the study area must be documented. Traffic counts must

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be less than one year old at the time the study is initiated, and collected in accordance with CMP highway monitoring requirements (see Appendix A). Section D.8.1 describes TIA LOS calculation requirements in greater detail. Freeway traffic volume and LOS data provided by Caltrans is also provided in Appendix A.

D.5.2 Selection of Horizon Year and Background Traffic Growth. Horizon year(s) selection is left to the lead agency, based on individual characteristics of the project being analyzed. In general, the horizon year should reflect a realistic estimate of the project completion date. For large developments phased over several years, review of intermediate milestones prior to buildout should also be considered.

At a minimum, horizon year background traffic growth estimates must use the generalized growth factors shown in Exhibit D-1. These growth factors are based on regional modeling efforts, and estimate the general effect of cumulative development and other socioeconomic changes on traffic throughout the region. Beyond this minimum, selection among the various methodologies available to estimate horizon year background traffic in greater detail is left to the lead agency. Suggested approaches include consultation with the jurisdiction in which the intersection under study is located, in order to obtain more detailed traffic estimates based on ongoing development in the vicinity.

D.6 PROPOSED PROJECT TRAFFIC GENERATION

Traffic generation estimates must conform to the procedures of the current edition of Trip Generation, by the Institute of Transportation Engineers (ITE). If an alternative methodology is used, the basis for this methodology must be fully documented.

Increases in site traffic generation may be reduced for existing land uses to be removed, if the existing use was operating during the year the traffic counts were collected. Current traffic generation should be substantiated by actual driveway counts; however, if infeasible, traffic may be estimated based on a methodology consistent with that used for the proposed use.

Regional transportation impact analysis also requires consideration of trip lengths. Total site traffic generation must therefore be divided into work and non-work-related trip purposes in order to reflect observed trip length differences. Exhibit D-2 provides factors which indicate trip purpose breakdowns for various land use types.

For lead agencies who also participate in CMP highway monitoring, it is recommended that any traffic counts on CMP facilities needed to prepare the TIA should be done in the manner outlined in Chapter 2 and Appendix A. If the TIA traffic counts are taken within one year of the deadline for submittal of CMP highway monitoring data, the local jurisdiction would save the cost of having to conduct the traffic counts twice.

D.7 TRIP DISTRIBUTION

For trip distribution by direct/manual assignment, generalized trip distribution factors are provided in Exhibit D-3, based on regional modeling efforts. These factors indicate Regional Statistical Area (RSA)-level tripmaking for work and non-work trip purposes.
These RSAs are illustrated in Exhibit D-4.) For locations where it is difficult to determine the project site RSA, census tract/RSA correspondence tables are available from MTA.

Exhibit D-5 describes a general approach to applying the preceding factors. Project trip distribution must be consistent with these trip distribution and purpose factors; the basis for variation must be documented.

Local agency travel demand models disaggregated from the SCAG regional model are presumed to conform to this requirement, as long as the trip distribution functions are consistent with the regional distribution patterns. For retail commercial developments, alternative trip distribution factors may be appropriate based on the market area for the specific planned use. Such market area analysis must clearly identify the basis for the trip distribution pattern expected.

D.8 IMPACT ANALYSIS

CMP Transportation Impact Analyses contain two separate impact studies covering roadways and transit. Section Nos. D.8.1-D.8.3 cover required roadway analysis while Section No. D.8.4 covers the required transit impact analysis. Section Nos. D.9.1-D.9.4 define the requirement for discussion and evaluation of alternative mitigation measures.

D.8.1 Intersection Level of Service Analysis. The LA County CMP recognizes that individual jurisdictions have wide ranging experience with LOS analysis, reflecting the variety of community characteristics, traffic controls and street standards throughout the county. As a result, the CMP acknowledges the possibility that no single set of assumptions should be mandated for all TIA within the county.

However, in order to promote consistency in the TIA prepared by different jurisdictions, CMP TIA must conduct intersection LOS calculations using either of the following methods:

- The Intersection Capacity Utilization (ICU) method as specified for CMP highway monitoring (see Appendix A); or
- The Critical Movement Analysis (CMA) / Circular 212 method.

Variation from the standard assumptions under either of these methods for circumstances at particular intersections must be fully documented.

TIA using the 1985 or 1994 Highway Capacity Manual (HCM) operational analysis must provide converted volume-to-capacity based LOS values, as specified for CMP highway monitoring in Appendix A.

D.8.2 Arterial Segment Analysis. For TIA involving arterial segment analysis, volume-to-capacity ratios must be calculated for each segment and LOS values assigned using the V/C-LOS equivalency specified for arterial intersections. A capacity of 800 vehicles per hour per through traffic lane must be used, unless localized conditions necessitate alternative values to approximate current intersection congestion levels.

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D.8.3 Freeway Segment (Mainline) Analysis. For the purpose of CMP TIAss, a simplified analysis of freeway impacts is required. This analysis consists of a demand-to-capacity calculation for the affected segments, and is indicated in Exhibit D-6.

D.8.4 Transit Impact Review. CMP transit analysis requirements are met by completing and incorporating into an EIR the following transit impact analysis:

- Evidence that affected transit operators received the Notice of Preparation.
- A summary of existing transit services in the project area. Include local fixed-route services within a ¼ mile radius of the project; express bus routes within a 2 mile radius of the project, and; rail service within a 2 mile radius of the project.
- Information on trip generation and mode assignment for both AM and PM peak hour periods as well as for daily periods. Trips assigned to transit will also need to be calculated for the same peak hour and daily periods. Peak hours are defined as 7:30-8:30 AM and 4:30-5:30 PM. Both “peak hour” and “daily” refer to average weekdays, unless special seasonal variations are expected. If expected, seasonal variations should be described.
- Documentation of the assumptions and analyses that were used to determine the number and percent of trips assigned to transit. Trips assigned to transit may be calculated along the following guidelines:
  - Multiply the total trips generated by 1.4 to convert vehicle trips to person trips;
  - For each time period, multiply the result by one of the following factors:

  3.5% of Total Person Trips Generated for most cases, except:

  10% primarily Residential within 1/4 mile of a CMP transit center
  15% primarily Commercial within 1/4 mile of a CMP transit center
  7% primarily Residential within 1/4 mile of a CMP multi-modal transportation center
  9% primarily Commercial within 1/4 mile of a CMP multi-modal transportation center
  5% primarily Residential within 1/4 mile of a CMP transit corridor
  7% primarily Commercial within 1/4 mile of a CMP transit corridor
  0% if no fixed route transit services operate within one mile of the project

To determine whether a project is primarily residential or commercial in nature, please refer to the CMP land use categories listed and defined in Appendix E, Guidelines for New Development Activity Tracking and Self Certification. For projects that are only partially within the above one-quarter mile radius, the base rate (3.5% of total trips generated) should be applied to all of the project buildings that touch the radius perimeter.

- Information on facilities and/or programs that will be incorporated in the development plan that will encourage public transit use. Include not only the jurisdiction’s TDM Ordinance measures, but other project specific measures.
D.9 IDENTIFICATION AND EVALUATION OF MITIGATION

D.9.1 Criteria for Determining a Significant Impact. For purposes of the CMP, a significant impact occurs when the proposed project increases traffic demand on a CMP facility by 2% of capacity \( (V/C \geq 0.02) \), causing LOS F \( (V/C > 1.00) \); if the facility is already at LOS F, a significant impact occurs when the proposed project increases traffic demand on a CMP facility by 2% of capacity \( (V/C \geq 0.02) \). The lead agency may apply a more stringent criteria if desired.

D.9.2 Identification of Mitigation. Once the project has been determined to cause a significant impact, the lead agency must investigate measures which will mitigate the impact of the project. Mitigation measures proposed must clearly indicate the following:

- Cost estimates, indicating the fair share costs to mitigate the impact of the proposed project. If the improvement from a proposed mitigation measure will exceed the impact of the project, the TIA must indicate the proportion of total mitigation costs which is attributable to the project. This fulfills the statutory requirement to exclude the costs of mitigating inter-regional trips.

- Implementation responsibilities. Where the agency responsible for implementing mitigation is not the lead agency, the TIA must document consultation with the implementing agency regarding project impacts, mitigation feasibility and responsibility.

Final selection of mitigation measures remains at the discretion of the lead agency. The TIA must, however, provide a summary of impacts and mitigation measures. Once a mitigation program is selected, the jurisdiction self-monitors implementation through the mitigation monitoring requirements contained in CEQA.

D.9.3 Project Contribution to Planned Regional Improvements. If the TIA concludes that project impacts will be mitigated by anticipated regional transportation improvements, such as rail transit or high occupancy vehicle facilities, the TIA must document:

- Any project contribution to the improvement, and
- The means by which trips generated at the site will access the regional facility.

D.9.4 Transportation Demand Management (TDM). If the TIA concludes or assumes that project impacts will be reduced through the implementation of TDM measures, the TIA must document specific actions to be implemented by the project which substantiate these conclusions.

2010 Congestion Management Program for Los Angeles County
D.10 REFERENCES


3. *Travel Forecast Summary: 1987 Base Model - Los Angeles Regional Transportation Study (LARTS)*, California State Department of Transportation (Caltrans), February 1990.


RESPONSE TO COMMENT LETTER NO. PA-7
Elizabeth Carvajal, Senior Manager, Transportation Planning
Los Angeles County Metropolitan Transportation Authority
March 2017, Dated September 26, 2016

PA 7-1 These comments include recommendations for the Traffic Impact Analysis, which was conducted as part of the DEIR pursuant to these recommendations; see Appendix G, Traffic Impact Analysis. Potential impacts to Metro Bus Line 233 are addressed on DEIR page 5.8-49. Potential impacts to CMP facilities are addressed on DEIR pages 5.8-45 through 5.8-48. These comments do not address the DEIR’s adequacy or raise a significant environmental issue. As such, no further response is necessary.

PA 7-2 This is an attachment to the letter that includes the Congestion Management Program (CMP) Appendix D, Guidelines for CMP Transportation Impact Analysis. As such, no further response is necessary.
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11.4 ERRATA TO THE DRAFT EIR

Text changes are intended to clarify or correct information in the DEIR, as initiated by the Lead Agency or due to environmental points raised in the comment letters. Should a response to a comment require revisions to the DEIR, the relevant DEIR text is presented in a box, with deleted text indicated by double strike-through and new text indicated by underlining, as shown in the following example:

| Deleted DEIR text | Added DEIR text |

Revisions to the DEIR text are presented below according to DEIR page, and, where appropriate, paragraph.

SECTION 5.9, UTILITIES AND SERVICE SYSTEMS

DEIR page 5.9-13 is revised in the FEIR, as follows:

**Wastewater Treatment.** Wastewater originating from the Project site is treated at the JWPCP located in the City of Carson. The facility, which has a design capacity of 400 MGD, provides both primary and secondary treatment of approximately 350 MGD 253.4 MGD of wastewater.

DEIR page 5.9-19 is revised in the FEIR, as follows:

According to the Districts, the Project's projected increase in average daily wastewater generation beyond existing conditions is estimated at 7,705 gpd. The Districts' 24-inch diameter trunk sewer has a design capacity of 4.6 MGD and conveyed a peak flow of 0.6 MGD, when last measured in 2011. The JWPCP is currently operating at approximately 65 percent capacity, based on a design capacity of 400 MGD and the current treatment of approximately 350 MGD 253.4 MGD. Therefore, approximately 20 MGD 147 MGD of available capacity exists at the JWPCP. The increase in wastewater generated by the Project (approximately 7,705 gpd) represents approximately 0.0004 percent of the remaining capacity. Thus, the proposed development would not exceed the available capacity at the JWPCP. Therefore, adequate capacity exists to serve the Project's projected demand and Project implementation would not require increases to the Districts' truck sewer or in the JWPCP's design capacities. Project implementation would not require or result in the construction of new wastewater facilities or expansion of existing facilities beyond the construction of the new sewer laterals located onsite. A less than significant impact would occur in this regard.

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4 County Sanitation Districts of Los Angeles County, Response to the NOP for The Lakes Specific Plan Project and Topgolf Facility, October 3, 2016.
DEIR page 5.9-25 is revised in the FEIR, as follows:

Written Correspondence: Pena, Samuel, Municipal Relationship Manager, Republic Services, November 1, 2016.

Written Correspondence: Raza, Adriana, Customer Service Specialist, County Sanitation Districts of Los Angeles County, March 10, 2017.
Plans
**FRONT ELEVATION SIGNAGE**

(824 SF + 98 SF.) / 18,712 SQ. FT. = 0.049
5% TOTAL OF ELEVATION

**EXTERIOR SIGN:**
FRONT LIT CHANNEL LETTERS MOUNTED TO CANOPY

**FONT:** TOPGOLF APPROVED TYPEFACE

**FACE:** 3/16" 7328 WHITE POLYCARBONATE FACE W/ ARLON 2114 TRANS.
BLUE VINYL SKIN 1" WEEDED OUTLINE

**RETURNS:** 6" .063 3003 H14 ALUM. RETURNS PTM SILVER

**TRIM CAPS:** 2" SILVER JEWELITE TRIM CAPS

**BACKS:** .063 WHITE ALUMINUM PAINTED SILVER

**EXTERNAL GUSSETS:** 1/8" 5052 Aluminum W/ 2" FLANGES ON ALL SIDES

**INTERNAL GUSSETS:** 1/8" 5052 ALUMINUM CUT TO LETTER SHAPE AT BOTTOM

**ANCHORS:** 3/8" DIA X 5" GALVANIZED LAG BOLTS

**ILLUMINATION:** WHITE LEDS-GOQ3 6-7000K

**MOUNTING:** MOUNTED TO BUILDING CANOPY W/ NON-CORROSIVE HARDWARE AND CUSTOM GUSSETS AS REQUIRED. ALL PENETRATIONS SEALED W/ CLEAR SILICONE. DRILL POWER HOLES AND ATTACH GUSSETS IN THE FIELD, PROVIDE 55 BOLTS

**EXTERIOR WALL GRAPHIC:**
SHIELD ART CRAFTED IN TWO TONE EIFS.
City Council Staff Report, dated August 15, 2017, regarding Amendment No. 3 to the Lease Agreement
AGENDA DESCRIPTION:
Consideration and possible action related to a status update on items in the due diligence period of the ground lease agreement between CenterCal and the City with regard to the potential development of a Top Golf facility on the City’s golf course (“The Lakes”). Additionally, to provide direction to staff with respect to potential amendments to the Lease, including but not limited to golf ‘and youth groups’ use of the facility and other use of the facility by the City, the Chevron deed restriction, lighting at the golf course, and extension of the due diligence period. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Receive and file update and provide direction regarding potential lease amendments; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS: None

FISCAL IMPACT: None

- Amount Budgeted: N/A
- Additional Appropriation: N/A
- Account Number(s): N/A

STRATEGIC PLAN: N/A

ORIGINATED BY: Mark Hensley, City Attorney
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The purpose of this agenda item is to provide the Council with an update regarding the satisfaction of the due diligence conditions (conditions which must be satisfied before the Lease becomes effective) and seek Council direction regarding some potential revisions to the Lease. This is not a meeting that is appropriate for Council to express thoughts on whether the proposed project should be approved or denied. Such a decision will be made by the Council at a publicly noticed hearing which will likely take place in September.

The Council at a Special Meeting held on August 1, 2017, directed staff to come forward with this staff report.

As amended, the Due Diligence and Ground Lease Agreement between the City and ES CenterCal, LLC sets forth thirteen conditions precedent that must be completed before the premises is turned over to CenterCal and the basic term of the Lease begins. Below is a summary of each condition and an update on its status:
1. CenterCal files an application for all required project land use entitlements (for example, zoning change and environmental review) and the Council approves or denies such in its sole discretion.

   **Status:** The applicant has filed the required application. The Planning Commission has held a public meeting and has recommended that the Council approve the entitlements. The Council will consider the entitlements at a public hearing in September.

2. CenterCal has prepared, and City has approved, final building plans for the golf course improvements and the premises improvements as described in the Lease.

   **Status:** Plans and specifications have been submitted by CenterCal and are in process of being reviewed by the City’s Department of Planning, Building & Safety. It is recommended that the final golf course and clubhouse design be utilized to update/revise Exhibit D to the Lease to more accurately reflect the final approved design of the project.

3. CenterCal to enter into construction contracts for construction of the golf course improvements.

   **Status:** CenterCal has stated it has bid the project and is ready to enter into construction contracts if the project entitlements are approved by the City.

4. CenterCal to enter into a sublease of the premises with Topgolf El Segundo that requires Topgolf to operate the premises for at least seven years.

   **Status:** As of August 8, 2017, CenterCal reports that the sublease is drafted and is very close to being finalized. CenterCal expects it will be executed during the week of August 7 or August 14.

5. CenterCal to deliver written notice to the City that it desires to have the Lease become effective (the “Due Diligence Acceptance Notice”).

   **Status:** This notice cannot be provided until and unless the City approves the related entitlements and all other due diligence/conditions precedent are satisfied. If all those things occur, staff expects the Due Diligence Acceptance Notice will be provided.

6. CenterCal to receive written confirmation from Chevron approving of the proposed premises improvements and the proposed use of the premises as contemplated by the Lease. The Chevron approval must be in recordable form and may not impose any obligations on the City or on the property, but may place obligations on CenterCal and the premises during the term of the Lease.

   **Status:** CenterCal has stated that it has been in negotiations with Chevron and states that Chevron has agreed in principle to the proposed premises improvements and the proposed use of the premises as contemplated by the Lease. CenterCal states a written document in recordable form has been prepared and is nearly complete. CenterCal does not believe that Chevron will execute the document before the potential second read of the ordinance for the
project entitlements. Accordingly, to ensure that the document is in a form acceptable to the City, it is recommended that the Lease be amended to provide as an attachment the exact form of the document to be executed. CenterCal believes Chevron will agree to execute the document if the City approves the project entitlements.

7. City to determine, in its discretion, that the CenterCal Guarantor has sufficient financial strength to guarantee the construction of the golf course improvements, that Topgolf International, Inc. (TGI) has sufficient financial strength to guarantee construction of the premises improvements, and TGI Subsidiary Guarantor has sufficient financial strength to guarantee the operation of the premises during the operating period and to guarantee rent payments as required by the Lease.

Status: Completed. An outside financial consultant worked with the City with this item and it was completed numerous months ago.

8. CenterCal, TGI, and TGI Subsidiary Guarantor to execute their respective guarantees.

Status: Staff expects these guarantees will be timely executed and delivered if the project entitlements are approved. The forms of the guarantees are attached to the Lease so there is nothing for the parties to negotiate with respect to this item.

9. CenterCal and City to enter into an irrevocable license that grants CenterCal ingress and egress to and from the existing parking lot on the premises and the right to use 70 parking spaces on the lot and provides that up to 30 of the 70 spaces will be marked with signs to indicate that are for the exclusive use of golf course patrons during the golf course’s hours of operation.

Status: CenterCal is drafting the license and stated it will have it to the City in the next few days and staff expects to complete it the week of August 7, 2017. Expected to be finalized and executed the week of August 14, 2017.

10. CenterCal and City to have entered into an access agreement granting CenterCal the right to access the golf course to construct the golf course improvements.

Status: CenterCal is drafting the agreement and expects it will deliver to the City in the next few days and staff expects to be complete the agreement the week of August 7, 2017. Expected to be finalized and signed the week of August 14, 2017.

11. CenterCal to prepare, at its expense, the legal descriptions for the “Premises” (the Top Golf facility) and the golf course.

Status: CenterCal states that it has completed the descriptions and has promised to deliver them to staff.

12. CenterCal and City to have agreed upon the value of the subject property prior to the end of the due diligence period.

Status: City is in the process of retaining an appraiser to provide the valuation.
13. If Topgolf received all necessary permits and approvals to commence construction of the Topgolf facility, CenterCal will deposit $400,000 into an escrow account and enter into an escrow agreement with City for the purpose of funding a portion of the cost to purchase and install lights on the golf course.

**Status:** This item will be completed if the project entitlements are approved. Staff recommends that the Lease provide for CenterCal to install the lights if the due diligence conditions are satisfied. It is recognized that the lighting improvements may cost more than $400,000 staff is recommending that the City agree to be responsible for the additional expense to the extent such is the result of the bidding for the improvements and/or there are cost overruns due to unforeseen conditions on the property. If the Council is in agreement with this change, the Lease will need to be amended to reflect such.

While some of the conditions and issues above were discussed at the Special Council Meeting, there are additional issues that were discussed at that meeting that Council needs to provide direction to staff for purposes of amending the Lease.

First, the Subcommittee is recommending that rather than have Top Golf operate the driving range professionals and youth group activities on the facility, that the City will operate such programs. Top Golf is offering use of its facilities for these uses on the following dates and times:

- **Monday-Thursday:** 10 hitting bays 8am-4pm and 4 hitting bays 4-7pm
- **Friday:** 6 hitting bays 8am-2pm and 3 hitting bays 2-6pm
- **Saturday/Sunday:** 4 hitting bays 8am-12pm and 3 hitting bays 12-4pm

*Additional usage outside of the above limits and times can be reserved at a rate of 50% hourly rate.*

The City will employ or designate a staff member to act as a facilitator between the City and Top Golf for purposes of managing the City’s use of the Top Golf facility during these times. The City and Top Golf would like to make these changes to the Lease, and additionally provide a provision that would allow for the parties to meet and discuss from time to time how the programs are operating and jointly determine if the Lease needs to be amended if it is decided that changing the operation of these programs would be in both parties’ best interests. Additionally, while the Lease provided that two golf professionals would be paid by Top Golf during the construction period of the facility, CenterCal and Top Golf are requesting elimination of this provision of the Lease as a result of the changes in management of the golf programs and instruction by the City.

Another revision that will need to be made to the Lease is the expiration of the due diligence period. The due diligence period currently expires on September 30, 2017. Should the Council approve the land use entitlements, the entitlements will not take effect until after 30 days following the potential second reading of the Ordinance approving such. The Mayor will not be present at the second meeting in September and wants to be in attendance if there is a second read and vote on the Ordinance. Accordingly, the potential second read of the Ordinance may not take place until October 3. Staff is recommending that the expiration of the due diligence period be December 31, 2017, to ensure there is sufficient time for CenterCal to complete the due diligence conditions. If
CenterCal completes the conditions before this expiration date then the project can move forward sooner.

Finally, the City Attorney’s Office has drafted language regarding the security concerns raised by Council Member Brann. In short, two El Segundo officers will provide security on Friday and Saturday evening when the Top Golf facility opens. The Police Chief will have the authority to increase or decrease the number of officers or increase or decrease the days that security is provided based upon the number of security related issues that arise at the facility. The City Attorney’s Office is providing this language to CenterCal for its review but it is understood by staff that CenterCal has agreed to this change to the Lease.
Financial Analysis and Comparison
Draft Report, dated April 2015
Draft Report

Financial Analysis and Comparison of The Lakes at El Segundo Golf Course & the TopGolf Development Proposal

El Segundo, California

Prepared for: City of El Segundo
Prepared by: Pro Forma Advisors, LLC

April 2015
PFAID: 10-675
Version: 1.1
# General Limiting Conditions

## I. Introduction/Background

## II. Summary of Findings

- Concept
- The Lakes Historical Performance
- Golf Market Overview
- Revenue Enhancement
- Capital Improvement Requirements
- Projected Direct Golf Course Performance
- Projected TopGolf Performance
- Fiscal Impact
- Comparative Economic Summary
- Other Issues

## III. The Lakes at El Segundo

- Project Description
- Operating History
- Course Condition/Capital Cost

## IV. TopGolf

- TopGolf Project Concept
- TopGolf at The Lakes

## V. Golf Market Overview

- Demographics
- Golf Market Overview

## VI. Revenue Enhancement/Cost Efficiencies

- Revenue Enhancements

## VII. Direct Economics

- Golf Course Economics
TopGolf

VIII: Fiscal Impact
Revenue Sources
Existing Golf Course Scenario
TopGolf Scenario
Comparative Fiscal Impact

IX: Comparative Economics
Average Annual Impact
Present Value Comparison

X. Valuation of Project Components
Net Operating Income
Capitalization Rate
Asset Value

XI. Other Issues

Appendix A
General Limiting Conditions

Certain information included in this report contains forward-looking estimates, projections and/or statements. Pro Forma Advisors LLC has based these projections, estimates and/or statements on expected future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

No warranty or representation is made by Pro Forma Advisors that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Pro Forma Advisors accepts no liability in relation to the estimates provided herein.

In the production of this report, Pro Forma Advisors has served solely in the capacity of consultant and Pro Forma Advisors has not rendered any "expert" opinions and does not hold itself out as an "expert" (as the term "expert" is defined in Section 11 of the Securities Act of 1933).

This report is not to be used in conjunction with any public or private offering of securities, and may not be relied upon without the express written consent of Pro Forma Advisors.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions, and considerations.
I. Introduction/Background

The Lakes at El Segundo golf facility is comprised of a 9-hole, par-29, executive length golf course, two-level practice range with 58 tee stations, 4,000-square foot clubhouse, and other support facilities developed on a 30-acre parcel. The golf complex is owned by the City of El Segundo and operated under the oversight of the City (the golf course is managed and maintained by Lane-Donovan, a golf course professional management firm, under a fee-for-service management agreement). The Lakes at El Segundo operates as an enterprise fund within the City, with the objective of operating as a self-sustaining economic entity without General Fund assistance.

The City has been approached by ES CenterCal, LLC (CenterCal), a local developer, to develop a TopGolf facility on the existing practice range site. The TopGolf concept combines a technology-driven golf driving range with an entertainment complex featuring extensive food and beverage facilities. The concept is designed to serve a much broader market than traditional golfers working on their game, and the facility is often used as an event venue. There are about 13 existing TopGolf facilities already operating across the country, and another 10 under construction or in advanced planning. Typically, a TopGolf facility is a 3-level structure with about 35,000 square feet of indoor space, and includes about 100 tee stations.

CenterCal would develop the facility under a ground lease agreement with the City of El Segundo. TopGolf would operate the facility under a sublease agreement with CenterCal. The proposed project would require zoning modifications, reconfiguration of the golf course, replacement of the existing clubhouse, and a parking lot sharing agreement.

The City is interested in a comparative economic analysis of the proposed complex (modified golf course and clubhouse, and TopGolf facility) and the existing golf course. Such a comparative evaluation is dependent on numerous factors and considerations including: the comparative direct economics of both scenarios from the perspective of the City; short- and long-term capital improvement needs at the existing facility; indirect revenues/benefits related to each scenario; construction impacts on existing facilities; risks related to the income stream; parking impacts/requirements; and other such issues.

Work tasks performed for this assignment included the following:

- Inspection of the existing golf course and support facilities
- A series of interviews with individuals employed at The Lakes in various capacities
- Review of historical operating performance of the existing facility
- Assessment of the TopGolf concept proposed for the site, including interviews of general managers at several comparable TopGolf facilities
- Analysis of the local and regional golf market
- Evaluation of current golf facility conditions and long-term capital improvement requirements
Introduction/Background

- Projections of performance relating to retaining the existing facility as-is and the TopGolf development scenario
- Comparative analysis of the direct economics of the existing facility and the TopGolf project
- Assessment of the fiscal benefits associated with each project scenario, along with potential indirect impacts

It should be noted that an initial proposal was submitted by CenterCal/TopGolf, which was followed by a revised proposal submitted in August 2014. In the analysis, the economics of the existing golf complex are compared with both the initial and revised proposals.

Following this Introduction, a summary of key findings is presented in Section II, with documentation and analysis contained in subsequent sections of the report.
II. Summary of Findings

A summary of principal findings and conclusions is presented in this section, with documentation and analysis contained in the subsequent sections of the report.

Concept

- The analysis focuses on comparing the economics related to the existing 9-hole, executive length golf course operation with that of a TopGolf facility combined with a reconfigured standalone golf course/clubhouse. The economics are viewed from the perspective of the City. The economics of the existing complex are compared with both the initial CenterCal/TopGolf proposal and its August 2014 revised proposal.

- The existing golf course operation is evaluated assuming modest revenue enhancement and cost efficiencies. The analysis also assumes that capital reinvestment in the facility is performed on an as-needed basis.

- Under the CenterCal/TopGolf proposal, a state-of-the-art TopGolf facility would be developed on the existing driving range/clubhouse site, with a reconfigured 9-hole golf course which will remain at approximately the same length as the existing course. This analysis also assumes that modest golf course revenue enhancement and cost efficiency measures are implemented.

- The TopGolf concept effectively integrates a food & beverage-oriented entertainment complex with a practice range, providing patrons with a wide variety of entertainment games, including many using the state-of-the-art practice range.

- CenterCal/TopGolf would lease their site from the City, and be responsible for all facility development costs, including construction of a new small pro shop/snack bar, and the cost of reconfiguring the 9-hole golf course. Total development costs are estimated at $25 million for the TopGolf facility, plus about $2.5 million for the new clubhouse and reconfigured golf course. In its revised proposal, TopGolf also includes a contribution of $250,000 toward the cost of night lighting the golf course.

The Lakes Historical Performance

- Mirroring national and regional trends, market support for The Lakes has been impacted by a number of external factors including the overall decline in the demand for golf, unprecedented expansion in the supply of golf courses, and more recently the severe economic downturn which commenced in 2007/2008. Golf rounds on the 9-hole course have declined steadily from over 60,000 in 2000 to a current level of 43,200. Similarly, range revenue has declined from over $900,000 annually to $720,000 over this same period.
Gross revenue for 2014 is reported as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Annual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greens Fees</td>
<td>$689,200</td>
</tr>
<tr>
<td>Practice Range Fees</td>
<td>721,100</td>
</tr>
<tr>
<td>Pro Shop Sales</td>
<td>164,300</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>287,100</td>
</tr>
<tr>
<td>Alcohol-City Share</td>
<td>7,200</td>
</tr>
<tr>
<td>Lessons/Camps</td>
<td>176,700</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,047,100</strong></td>
</tr>
</tbody>
</table>

Net operating income from the golf course, before Citywide administrative charges, the City insurance allocation, debt service, capital improvement reserves, and capital charges, has been relatively stable over the last five years, ranging from about $350,000 to $450,000 per year, although 2014 net income declined about 20 percent from the 2013 results. This most recent decline is attributed to a drop-off in play, coupled with a sharp increase in the cost of irrigation water.

The golf course is now over 20 years old. Other than driving range safety improvements (perimeter poles and netting), there has not been any major capital reinvestment in the course or support facilities.

**Golf Market Overview**

The national and regional golf markets performed exceptionally well in the late 1980s and early 1990s, which resulted in the unprecedented expansion of the golf course inventory in the late 1990s and early 2000-period. As a result of this oversupply condition, combined with declining demand which commenced in the early 2000-period and more recently the severe economic downturn, the golf industry has contracted markedly, with individual golf courses at all levels adversely impacted.

The Lakes more localized golf market has not fared any better than most, despite minimal increases in the supply of courses, and the strong demographics of the local market area residents. The last two courses added to the inventory include The Lakes in 1993 and the Manhattan-Marriott golf course (9-hole par-3), added in 1995.
Summary of Findings

- Despite the golf market decline, the local market for less-than-regulation length golf courses remains roughly in balance in terms of demand and supply, while the area is well under-supplied with respect to regulation length golf courses.

- The outlook for golf over the mid- to long-term is highly uncertain. Most golf analysts are projecting 0.5 to 1.0 percent average annual growth, primarily attributable to the aging baby boom generation, as golf participation and frequency of play increase with age. However, the impact of aging baby boomers has not yet been apparent, and there remains significant concern about the diminishing rate of new entrants to the game.

Revenue Enhancement

- Without strategic capital improvements and intensified programming, operating performance at The Lakes at El Segundo is likely to remain at its current level, with negligible or no growth, over the foreseeable term, even with an improving economy.

- With regard to the existing golf course, there appear to be several potential improvements where the cost-benefit is positive:
  - Night lighting the golf course would increase play (note that the course was designed for lighting, with electrical conduit and junction boxes in place).
  - Heating the lower level of the driving range tee stations would increase range utilization.
  - Expanding junior golf camps to selected non-summer periods.

- With regard to the reconfigured golf course (TopGolf scenario), night lighting of the golf course also appears justified. It is likely that the junior programs would be scaled back somewhat with a reconfigured golf course.

- The existing golf course is operated very efficiently, and there does not appear to be any potential significant cost reduction measures that could be undertaken without affecting revenue.

- Scaling down the restaurant operation to more of a snack bar would likely result in some cost reduction.

Capital Improvement Requirements

- The golf course is in relatively good condition at this time, but given its age there will be required improvements over the next 25 years. Under the TopGolf scenario, some of the required golf course improvements will be completed as part of the TopGolf construction involving the reconfiguration of the golf course.

- The estimated capital costs required over the next 25 years, expressed in constant 2015 dollars, is indicated as follows:
The Lakes Capital Improvement Requirements
(thousands of constant 2015 dollars)

<table>
<thead>
<tr>
<th>Component</th>
<th>Existing Course</th>
<th>Initial Proposal</th>
<th>Revised Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golf Course Lighting</td>
<td>$450</td>
<td>$450</td>
<td>$200</td>
</tr>
<tr>
<td>Golf Course Improvements</td>
<td>1,475</td>
<td>765</td>
<td>765</td>
</tr>
<tr>
<td>Driving Range</td>
<td>210</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Clubhouse/Parking</td>
<td>340</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Total</td>
<td>$2,475</td>
<td>$1,215</td>
<td>$965</td>
</tr>
</tbody>
</table>

Projected Direct Golf Course Performance

- The stable year economics of the golf course under two basic scenarios has been analyzed:
  - Existing golf course, clubhouse and driving range
  - Reconfigured golf course as a standalone facility

- Under each scenario, City administrative expenses have been estimated at their historical "average" cost, and depreciation and other non-cash items have been excluded.

- The direct golf course economics of each scenario is projected as follows:
Summary of Findings

Projected Stable Year Direct Golf Course Economics
(Thousands of constant 2015 dollars)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2014</th>
<th>Existing Course&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Reconfigured Standalone Course&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>$2,047.1</td>
<td>$2,227.5</td>
<td>$1,100.0</td>
</tr>
<tr>
<td>Less: Cost of Sales</td>
<td>261.2</td>
<td>254.8</td>
<td>118.8</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$1,785.9</td>
<td>$1,972.7</td>
<td>981.2</td>
</tr>
<tr>
<td>Less: Operating Expenses</td>
<td>1,430.8</td>
<td>1,496.0</td>
<td>1,087.5</td>
</tr>
<tr>
<td>Net Operating Income&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$355.1</td>
<td>$476.7</td>
<td>($106.3)</td>
</tr>
</tbody>
</table>

<sup>1</sup> Projections reflect implementation of revenue enhancement measures.

<sup>2</sup> Before City administrative expenses, insurance allocation, debt service and capital charges, and capital improvement reserves.

The economics of a standalone practice range also have been projected:

Projected Direct Driving Range Economics
(Thousands of constant 2015 dollars)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>$839.0</td>
</tr>
<tr>
<td>Less: Operating Expenses&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$445.0</td>
</tr>
<tr>
<td>Capital Improvement Reserve</td>
<td>30.0</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$364.0</td>
</tr>
</tbody>
</table>

<sup>1</sup> Expenses include a provision for insurance and administrative expenses currently provided through Citywide overhead.

Projected TopGolf Performance

- The initial CenterCal/TopGolf proposal offered the City a triple-net ground lease with a fixed $425,000 annual amount, increasing by 10 percent every 5 years.

- In August 2014, CenterCal/TopGolf revised its proposal, offering the City a triple-net ground lease with a fixed $525,000 annual amount, increasing by 2 percent per year over the initial five years, and then by a cumulative 10 percent every five years thereafter. TopGolf is obligated to pay CenterCal $710,000 annually, of which the City receives $525,000, after amortization of CenterCal's $2.5 million front-end capital investment.
Summary of Findings

- The annual ground rent ($710,000) represents approximately 3.5-4.0 percent of TopGolf's projected annual gross revenue, which is consistent with the percentage ground rents observed for food and beverage and entertainment facilities in California coastal locations, which center around 3.5 percent of gross revenue.

Fiscal Impact

- Both the existing golf course and TopGolf scenarios will generate ongoing fiscal revenues which accrue to the City of El Segundo. The principal sources of revenue include the City's share of sales tax, possessory interest tax, utility users tax, and business license fees.

- The annual fiscal revenue of each scenario at stabilization is summarized below:

<table>
<thead>
<tr>
<th>Annual Fiscal Revenue/Cost (constant 2015 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component</td>
</tr>
<tr>
<td>Existing Golf Course</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Fiscal Revenue</td>
</tr>
<tr>
<td>Sales Tax</td>
</tr>
<tr>
<td>Utility Users Tax</td>
</tr>
<tr>
<td>Possessory Interest Tax</td>
</tr>
<tr>
<td>Business License Fees</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Less: Fiscal Service Costs</td>
</tr>
<tr>
<td>Net Fiscal Benefit</td>
</tr>
</tbody>
</table>

/1 Reflects TopGolf's waiver of sales tax credit against business license fee.

- Neither scenario is deemed to have a significant impact on service costs.

- In addition to ongoing fiscal revenues, the TopGolf project will generate several one-time fees related to planning, building permits, legal review reimbursement, and other miscellaneous fees. While these revenues may be substantial, they are expected to be fully offset by one-time service costs, and thus no net one-time fiscal impact is likely.
Comparative Economic Summary

- The annual stable year economics of each scenario is comprised of direct annual golf course income (net of City administrative and other overhead charges), annual lease payments from TopGolf, fiscal revenues, and the annualized cost of capital improvement requirements. The annual cost of capital improvements is based on the annual amount necessary to amortize the discounted present value of the capital improvements over a 25-year term at a 6 percent cost of capital.

- The comparative annual economics of the two basic scenarios is summarized as follows:

| Table II-1: Stable Year Average Net Benefits (thousands of constant 2015 dollars) |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                 | Existing Course | Initial Proposal | Revised Proposal |
| Annual Benefits                 |                 |                 |                 |
| Golf Complex Direct Net Contribution | $476.7         | ($106.3)        | ($106.3)        |
| TopGolf Lease Revenue           | ...             | 425.0           | 525.0           |
| Fiscal Revenue                  | 5.6             | 163.6           | 207.9           |
| Total Benefits                  | $482.3          | $482.3          | $626.6          |
| Annual Costs                    |                 |                 |                 |
| Citywide Administrative/Overhead/Insurance | $160.0         | $150.0          | $150.0          |
| Construction Impact*            | ...             | 21.1            | 21.1            |
| Capital Cost*                   | 159.5           | 105.7           | 63.0            |
| Fiscal Service Costs            | ...             | ...             | ...             |
| Total Costs                     | $319.5          | $276.8          | $234.1          |
| Net Annual Cost-Benefit         | $162.8          | $205.5          | $392.5          |

* Represents annual amount necessary to amortize the discounted present value of the capital improvements.

- While the average annual net benefit to the City provides one measure of the comparative economics of the two scenarios, the most accurate measurement is the net present value of the 25-year stream of revenues and costs accruing to the City. Such an analysis takes into account the timing of the revenues and costs associated with each scenario. Within a 2 percent inflation environment, an 8.0
percent present value discount rate is considered reasonable and appropriate in measuring the present value of the cash flow stream.

- The net present value of each scenario is compared as follows:

| Table II-2: Present Value of 25-Year Net Benefits to City (000)* |
|--------------------------|--------------------------|--------------------------|
|                          | Existing Course | Initial Proposal | Revised Proposal |
| Benefits                 |               |               |               |
| Golf Complex Net Contribution | $6,041.7      | ($1,347.3)     | ($1,347.3)     |
| TopGolf Lease Revenue     | ---           | 5,163.4        | 6,388.8        |
| Fiscal Revenue            | 71.0          | 2,074.0        | 2,634.9        |
| Total Benefits            | $6,112.7      | $5,590.1       | $7,676.4       |
| Costs                    |               |               |               |
| Citywide Administrative/Overhead | $2,027.8      | $1,901.1       | $1,901.1       |
| Construction Impact       | ---           | 250.0          | 250.0          |
| Capital Cost              | 1,445.2       | 816.7          | 585.3          |
| Fiscal Service Costs      | ---           | ---            | ---            |
| Total Costs               | $3,473.0      | $2,967.8       | $2,736.4       |
| Net Cost-Benefit          | $2,639.7      | $2,922.3       | $4,940.1       |

* Present value of 25-year stream.

Other Issues

- There are a series of other issues which may be considered, but have not been quantified, in the comparative analysis between the existing golf course and TopGolf scenarios.

  - **Risk of Default**: There is always a risk of default on the ground lease payments, particularly for a concept which does not have a long track record. However, the likelihood of a default on the ground lease is substantially mitigated by the non-subordination of the ground lease, and with a pro forma ground lease coverage ratio (annual net operating income to ground lease payment) of nearly 10:1.
Summary of Findings

- **Golf Course Design:** While there are concept renderings which illustrate that the golf course can be reconfigured in such a way to preserve, or even extend, the length of the golf course, there clearly are some safety issues with regard to the design. A qualified golf course architect will be needed to ensure that the reconfigured golf course length and par rating can be safely maintained.

- **Economic Impact:** The TopGolf scenario will produce over 400 jobs (250-300 full time equivalents) and employee payroll of over $8 million annually. The gross multiplier effect (rounds of responding the initial expenditures) will produce nearly $40 million in regional gross product, 600 jobs, and over $15 million in annual payroll based on a gross multiplier of 2.0. Residents and businesses in the City of El Segundo will capture a relatively small percentage of this overall economic impact.

- **Marketing Benefits:** TopGolf is budgeting about $400,000 per year in sales and marketing expenses to promote their facility. This large marketing budget will not only benefit the TopGolf facility, but should heighten awareness of The Lakes at El Segundo golf course. Moreover, this TopGolf promotion would be expected to elevate the City's image and identity.

- **Instruction Revenue:** This analysis assumes that any fees from independent contractors for use of the TopGolf practice range would accrue to TopGolf. TopGolf has indicated their intention to split such fees with the City, which could generate an additional $30,000-$35,000 annually in City revenue.

- **Transient Occupancy Tax:** In most TopGolf facilities, corporate special events account for a substantial portion of overall business activity and, in those locations which have a heavy concentration of regional and national corporate headquarters, some corporate attendees from out of the area utilize local lodging establishments. Conservative numbers suggest that this activity may produce on the order of $15,000 annually in transient occupancy tax, much of which would accrue to the City of El Segundo.

- **TopGolf Reversionary Value:** At the conclusion of the lease period (including lease extensions), both the land and the improvements related to TopGolf will revert to the City. Even though this may be 50 years in the future, the present value of these improvements may still be substantial.

- **CIP Reserve:** In its pro forma projections, TopGolf has a capital improvement replacement reserve of about $400,000, or approximately 2 percent of gross revenue. While this appears to be an appropriate reserve level, mandating that this amount is reserved annually would help preserve the quality of the asset at the conclusion of the lease period.

- **Upside Participation:** At one of their older facilities (Wood Dale, Illinois TopGolf), the lease structure has evolved into a combination of a fixed annual amount, plus a percentage of food and beverage revenue. It may be appropriate for the City of El Segundo to negotiate some upside participation if revenues exceed certain annual thresholds.
- **Guaranteed Fiscal Revenue**: Based on TopGolf pro forma projections, fiscal revenue accruing to the City is projected at nearly $210,000 per year ($165,000 under initial proposal). As this fiscal revenue is directly correlated with TopGolf's performance, it may be appropriate to establish a guaranteed total fiscal revenue amount, with TopGolf funding any shortfall between the budgeted and actual fiscal revenue generated.
III. The Lakes at El Segundo

The following section presents a description of the Lakes at El Segundo, a review of the golf facility's operating history, and an evaluation of mid- and long-term capital improvement needs.

Project Description

The Lakes at El Segundo is a 9-hole, executive length municipal golf course owned by the City of El Segundo and managed by Lane/Donovan Partners, a professional golf course management company. Opened in 1994, The Lakes complex consists of the nine-hole golf course, a golf practice range, a 4,000-square-foot clubhouse, and other support facilities. The overall site measures approximately 30 acres, including a 4.0-acre right-of-way parcel leased from Southern California Edison. The course is located on the east side of Sepulveda Boulevard (State Highway 1), between El Segundo Boulevard and Rosecrans Avenue, in the City of El Segundo. An aerial view of the golf course is shown in Figure III-1.

With approximately $2 million in annual gross revenue, The Lakes at El Segundo is among the most successful 9-hole short course facilities in the country. It is often used as a model for small golf facilities developed on limited size sites.

The golf course is a par-29, 1,340-yard layout designed by Martin Hawtree/Fred Hawtree. The course offers seven par-3 and two par-4 holes. There are several lakes on the golf course, which come into play on a number of holes, along with approximately 26 sand bunkers. The course is recognized for the excellent condition of its greens.

The golf practice range is a lighted two-level facility with 58 tee stations. The range depth is approximately 250 yards, substantially shorter than the 280-300 yard desired depth, requiring the use of limited flight golf balls. There is 80-120 foot high fencing on the sides and back of the range. The landing area is natural turf.

The 4,000-square-foot clubhouse houses the pro shop, modest size bar/grill, a small meeting room, men's and women's restrooms, and circulation area.

The maintenance facility is located on the north side of the golf course (adjacent to the #4 hole).

The source of golf course irrigation water is reclaimed water delivered under pressure from the West Basin Water District Reclamation Plant located immediately south of the golf course. Annual consumption averages about 100 acre feet per year. The cost of the water currently is about $1,268 per acre foot ($2.12 usage charge per hundred cubic feet plus a $.79 recycle water surcharge). In FY2013/2014, annual water costs at The Lakes totaled just over $150,000.
Figure III-1: The Lakes Golf Course Existing Layout
Operating History

Annual historical play (starts) on the golf course are summarized as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>56,901</td>
</tr>
<tr>
<td>2011</td>
<td>52,850</td>
</tr>
<tr>
<td>2012</td>
<td>49,464</td>
</tr>
<tr>
<td>2013</td>
<td>49,172</td>
</tr>
<tr>
<td>2014</td>
<td>43,129</td>
</tr>
</tbody>
</table>

Annual rounds by type for 2014 are approximately as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Resident</th>
<th>Non-Resident</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>2,964</td>
<td>23,568</td>
<td>26,552</td>
</tr>
<tr>
<td>Senior</td>
<td>908</td>
<td>6,521</td>
<td>7,429</td>
</tr>
<tr>
<td>Monthly Passes</td>
<td>284</td>
<td>411</td>
<td>695</td>
</tr>
<tr>
<td>Punch Cards*</td>
<td>600</td>
<td>4,285</td>
<td>4,885</td>
</tr>
<tr>
<td>Junior</td>
<td>83</td>
<td>1,246</td>
<td>1,329</td>
</tr>
<tr>
<td>Replay/Lessons/Other*</td>
<td>280</td>
<td>1,959</td>
<td>2,239</td>
</tr>
<tr>
<td>Total</td>
<td>5,119</td>
<td>38,010</td>
<td>43,129</td>
</tr>
</tbody>
</table>

* Resident/Non-Resident distribution based on ratio of regular and senior play.

As indicated, resident rounds account for approximately 12 percent and non-resident rounds about 88 percent of total play at The Lakes.

Current greens fees are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Weekday</th>
<th>Weekend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Regular</td>
<td>$10.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>Non-Resident Regular</td>
<td>15.00</td>
<td>18.00</td>
</tr>
<tr>
<td>Resident Senior</td>
<td>8.00</td>
<td>***</td>
</tr>
<tr>
<td>Non-Resident Senior</td>
<td>12.00</td>
<td>***</td>
</tr>
<tr>
<td>Resident Junior</td>
<td>8.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Non-Resident Junior</td>
<td>11.00</td>
<td>15.00</td>
</tr>
</tbody>
</table>
Current staffing at the golf complex is distributed by department as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course Maintenance</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Golf Operations</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Range</td>
<td>1</td>
<td>--</td>
<td>1</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>6</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>General &amp; Admin</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
<td><strong>5</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

In addition to the golf course employees, there are 10 independent contractors (teaching professionals) who work at the range providing instruction.

Annual gross revenue for fiscal years 2009-2014 (fiscal year ending September 30), by department is shown in Table III-1. Note that the food and beverage gross revenue excludes alcoholic beverages, which average just under $80,000 per year. Rather, the City's 10 percent share of gross revenue (lease income) is shown in the table. Lessons revenue is comprised of rent from the independent teaching professional contractors (9-10 contractors at $600 per month per contractor), plus revenue from the junior golfer summer camp program. Also note that a greens fees increase went into effect in May 2013.

<table>
<thead>
<tr>
<th>Table III-1: The Lakes Annual Gross Revenue ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Greens Fees</td>
</tr>
<tr>
<td>Range Revenue</td>
</tr>
<tr>
<td>Pro Shop Merchandise</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>Alcohol-Net Lease</td>
</tr>
<tr>
<td>Lessons</td>
</tr>
<tr>
<td>Miscellaneous</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Annual operating expenses for The Lakes for fiscal year 2014, by department, are shown in Table III-2. The expenses have been reclassified to conform to a more standardized accounting format for golf course properties.
### Table III-2: The Lakes Operating Expenses By Department--2014 ($000)

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Course Maintenance</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits</td>
<td>$220.5</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>112.6</td>
</tr>
<tr>
<td>Irrigation Water (90% of total)</td>
<td>121.0</td>
</tr>
<tr>
<td>Equipment Replacement Charge</td>
<td>8.7</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$462.8</td>
</tr>
<tr>
<td><strong>Golf Operations</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits (Pro Shop)</td>
<td>$44.1</td>
</tr>
<tr>
<td>Range Expenses/Utilities</td>
<td>147.6</td>
</tr>
<tr>
<td>Services &amp; Supplies (Golf)</td>
<td>10.8</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$202.5</td>
</tr>
<tr>
<td><strong>Lessons</strong></td>
<td>$81.2</td>
</tr>
<tr>
<td><strong>Food &amp; Beverage</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits</td>
<td>$158.5</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>40.7</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$199.2</td>
</tr>
<tr>
<td><strong>Clubhouse Undistributed</strong></td>
<td>$74.2</td>
</tr>
<tr>
<td><strong>General &amp; Administrative</strong></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits</td>
<td>$143.1</td>
</tr>
<tr>
<td>Marketing &amp; Promotion</td>
<td>17.5</td>
</tr>
<tr>
<td>Credit Card</td>
<td>35.8</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>76.7</td>
</tr>
<tr>
<td>Management Fee</td>
<td>96.0</td>
</tr>
<tr>
<td>SCE Right-of-Way Lease</td>
<td>41.8</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$410.9</td>
</tr>
<tr>
<td><strong>Total--Golf Course Level</strong></td>
<td>$1,430.8</td>
</tr>
<tr>
<td><strong>Plus: City Administration</strong></td>
<td></td>
</tr>
<tr>
<td>Insurance &amp; Bonds</td>
<td>119.6</td>
</tr>
<tr>
<td><strong>Adjusted Total</strong></td>
<td>$1,680.6</td>
</tr>
</tbody>
</table>
The Lakes at El Segundo

As noted, at the golf course level, operating expenses for 2014 total $1.43 million. Adding the City administrative expense and the allocation for insurance and bonds yields total operating expenses of $1.68 million for the year.

Golf course operating income is summarized for the past 6-year period in Table III-3. As shown, Net operating income is first shown at the golf course level, before City administrative and insurance charges. Then, City administrative expenses and the allocation for insurance and bonds are deducted from the course level, yielding adjusted net operating income. Note that non-cash depreciation expenses have been omitted from the analysis. As indicated, net operating income at the course level declined from just over $460,000 in FY 2013 to about $355,000 in FY2014, reflecting the decline in rounds played and a slight increase in operating expenses. After Citywide deductions, net operating income declined sharply in FY2014, mostly due to the significant burden of insurance and bonds costs, as well as a significant increase in the cost of irrigation water.

<table>
<thead>
<tr>
<th>Table III-3: The Lakes Annual Net Operating Income ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Gross Revenue</td>
</tr>
<tr>
<td>Less: Cost of Sales</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>Merchandise</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Gross Profit</td>
</tr>
<tr>
<td>Less: Operating Expenses</td>
</tr>
<tr>
<td>Net Operating Income</td>
</tr>
<tr>
<td>Less: City Administrative</td>
</tr>
<tr>
<td>Insurance &amp; Bonds</td>
</tr>
<tr>
<td>Adjusted Net Income*</td>
</tr>
</tbody>
</table>

* Before depreciation and interest payments on General Fund debt.
Course Condition/Capital Cost

The Lakes at El Segundo is nearly 25 years old such that there are a number of capital improvements which the existing golf complex will need to address, particularly in the mid- to long-term. The reconfigured golf course under the TopGolf proposal also will require capital improvements, although the scale of these improvements will be reduced compared to the existing complex for two reasons. First, under the TopGolf scenario, the driving range will be the responsibility of TopGolf, and second, a substantial portion of the golf course will be renovated as part of the reconfiguration of the golf course— that is, with at least 4 holes affected, greens, tees, bunkers, irrigation components will be reconstructed as part of the estimated $2.5 million CenterCal expenditure.

Existing Golf Course and Range

Based on discussions with representatives of Lane-Donovan (golf course management) and the golf course superintendent, along with visual inspection and analysis of the golf course infrastructure, capital improvement replacement for the existing golf course and driving range are shown in Table III-4. The costs are expressed in constant 2015 dollars, and generally reflect prevailing wage rates. For most of the components, the timing of the cost is based on current condition and typical useful life experience. Nonetheless, the timing is highly variable, and there is often a tradeoff between deferring capital costs and maintenance intensity. As well, depending on the availability of capital, some improvements may be deferred. The estimated capital cost and timing assumes that capital is available as needed. Also, it should be noted that the cost of replacing maintenance equipment is included as an annual equipment replacement reserve in the pro forma operating statements.

Greens—For the most part the greens are in very good condition, although some authoritative sources such as the USGA call for replacement of greens every 25 years. Actual experience suggests that, with proper maintenance, the greens may last much longer, and may never need to be rebuilt. Nonetheless, this analysis includes an allowance of $300,000 for greens replacement in year 20 is included, equal to about $30,000 per green for 10 greens.

Bunkers—There are 26 bunkers on the existing golf course, all of which are in generally poor condition. The analysis assumes that the bunkers are the highest priority, with the reconstruction of all bunkers in year 1. A cost allowance of $200,000, equal to approximately $7,500 per bunker, is included in the analysis.

Tees—The golf course tees are in fair condition, and will need to be replaced over the mid-term. While it may be sufficient to complete 2-3 tees every couple of years, the analysis assumes that all of the tees are rebuilt in year 5. The cost of leveling (and rebuilding where necessary) is indicated at $100,000, equal to about $10,000 per hole.
<table>
<thead>
<tr>
<th>Item</th>
<th>Existing Course</th>
<th></th>
<th>TopGolf--Reconfigured Course</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year</td>
<td>Amount(^1)</td>
<td>Year</td>
<td>Amount(^1)</td>
</tr>
<tr>
<td><strong>Golf Course</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greens</td>
<td>20</td>
<td>$300,000</td>
<td>20</td>
<td>$150,000</td>
</tr>
<tr>
<td>Bunkers</td>
<td>10</td>
<td>200,000</td>
<td>1</td>
<td>100,000</td>
</tr>
<tr>
<td>Tees</td>
<td>5</td>
<td>100,000</td>
<td>1</td>
<td>50,000</td>
</tr>
<tr>
<td>Irrigation System</td>
<td>15</td>
<td>550,000</td>
<td>15</td>
<td>275,000</td>
</tr>
<tr>
<td>Lighting</td>
<td>1</td>
<td>450,000</td>
<td>1</td>
<td>200,000(^2)</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>150,000</td>
<td>15</td>
<td>100,000</td>
</tr>
<tr>
<td>Soft Costs (@10%)</td>
<td>---</td>
<td>175,000</td>
<td>---</td>
<td>90,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>---</td>
<td>$1,925,000</td>
<td>---</td>
<td>$965,000</td>
</tr>
<tr>
<td><strong>Driving Range</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netting</td>
<td>15</td>
<td>160,000</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Heating/Other</td>
<td>1</td>
<td>50,000</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>$210,000</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Clubhouse/Parking</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clubhouse</td>
<td>5</td>
<td>$240,000</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Parking</td>
<td>10</td>
<td>100,000</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$2,475,000</td>
<td></td>
<td>$965,000(^2)</td>
</tr>
</tbody>
</table>

\(^1\) Values expressed in constant 2015 dollars.

\(^2\) Under the initial proposal, lighting is indicated at $450,000, yielding a total cost of $1,215,000.
Irrigation System—The irrigation system is nearly 25 years old, about the expected life of the system. The system currently is in satisfactory condition, but eventually will need replacement. Based on approximately 22 irrigated acres and a cost factor of $25,000 per acre, the cost of replacing the irrigation system is indicated at $550,000. The project is scheduled in year 15 of the analysis.

Course Lighting—The analysis of the existing golf course assumes that the course is night lighted. Given that much of the installation work was completed when the golf course was originally built, the cost of lighting the existing golf course, including additional required installation costs, is indicated at $450,000. The analysis assumes the lighting project is undertaken in year 1.

Range Netting—Most of the driving range netting was replaced recently, along with poles. The lifetime of netting is about 15 years. As such, an allowance for replacing the netting at a cost of $160,000 is included in year 15 of the analysis.

Other Capital Costs—In addition to the major components identified above, there will be periodic other capital cost requirements relating to such items as lake linings, major tree trimming, course safety netting, perimeter fencing, signage, and other miscellaneous items. An allowance of $150,000 in year 15 is included.

Clubhouse Renovation/Parking—Capital costs for the clubhouse are based on the premise that the existing structure will be preserved, with substantial cosmetic improvements. An allowance of $60 per square foot ($240,000) is included in year 5 of the analysis for these improvements. Parking lot refurbishment is estimated at $100,000 in year 10.

Soft Costs—An allowance of soft costs at 10 percent of hard costs shown above is included.

Reconfigured Golf Course

The Center Cal/TopGolf proposal stipulates that the developer will reconfigure the golf course, replace parking, replace the clubhouse and complete any other capital improvements to provide a standalone golf complex. CenterCal has budgeted $2.5 million for these items, which appears to of appropriate magnitude. In addition, under their revised proposal, TopGolf has committed to contributing $250,000 towards night lighting the golf course.

Until the final golf course reconfiguration is designed, exactly how much of the golf course will be replaced can only be estimated. At this time, it appears that perhaps 50 percent of the golf course will be affected, and 50 percent not impacted. For planning purposes, it is assumed that the undisturbed portion of the golf course will generally require capital improvements at a proportionate cost and time to that estimated for the existing course (that is, 50 percent).

To preserve the quality and consistency of the golf course experience, it may be necessary to complete improvements for some items such as bunkers and tees at the same time as the improvements related to
reconfiguring the golf course are completed. Thus, the timing of those components is accelerated to year 1 of the analysis.
IV. TopGolf

The following section describes the proposed TopGolf project, and presents estimates of operating performance.

TopGolf Project Concept

The TopGolf concept integrates a golf practice complex with an entertainment facility, offering a unique experience in the golf industry. The TopGolf concept can best be described as a large upscale "sports bar" featuring a broad range of amenities and games, including a series of technology-driven golf games utilizing the driving range. Utilizing golf balls embedded with a microchip and targets in the landing area with sensors, players score points by hitting balls into the targets. The more accurate the shot and farther the distance, the more points earned. The golf games are designed to appeal to a broad range of golfers, from those with no experience to golf professionals.

The proposed TopGolf El Segundo facility would consist of a 65,000 square foot enclosed structure (35,000 square feet of climate-controlled space), along with a three level driving range offering 102 hitting stations. Each station would accommodate up to 6 golfers, and also include a seating area for food and beverages. Each station would have a high tech electronic display for recording scores much like a bowling alley. Stations would be rented on a pay and play basis, with pricing ranging from $20-$25 for non-peak times to $40-$45 for peak times. In addition, individual games are priced at an average of about $5 each. Memberships also are offered, with a single (executive) membership priced at $125 per month and a family (two adults, two children) membership in the range of $200 per month. Both memberships require a $100 one-time initiation fee.

The sports bar component of TopGolf features two principal bar/grill areas, about 200 television monitors, and numerous competitive table (e.g. billiards, foosball, shuffle board) and virtual games. The sports bar concept has some similarities to a Dave and Buster's establishment where bar/grill and entertainment activities are combined. While clearly catering to a young demographic segment, TopGolf facilities have also demonstrated substantial support derives from the family market.

TopGolf also is designed to accommodate events including corporate outings, social gatherings and kid's parties.

While TopGolf is characterized as a food and beverage oriented entertainment enterprise, the facility also caters to a component of the traditional golfer segment. Most avid golfers elect to purchase a membership rather than use the facility on an hourly basis.

TopGolf at The Lakes

A conceptual plan for the proposed TopGolf facility at The Lakes is presented in Figure IV-1. The plan would involve the following components:
› A new TopGolf facility, including the structure and practice range, would be developed utilizing the existing driving range, practice green area, clubhouse site, and a portion of the parking lot. In total, the building envelope for the TopGolf complex is approximately 12 acres.
› Replacement of existing and additional parking would be developed on the western portion of the site, along Sepulveda Boulevard, impacting existing hole #1.
› A new practice putting green, with a minimum of 4,500 square feet, and practice bunkers would be constructed.
› A new, smaller 2,500-square-foot clubhouse (small pro shop and snack bar) would be developed, along with an outdoor patio area.
› A new on-course restroom would be constructed.
› The golf course would be reconfigured, with four holes being affected to the extent that tees and/or greens would be constructed. The course length would be at least as long as the existing 1,340-yard layout, with the objective of lengthening the course to 1,500 yards, subject to the design feasibility. The course would remain a par-29 layout, again subject to design feasibility.

The initial terms of the proposed ground lease agreement between CenterCal/TopGolf and the City of El Segundo called for annual lease payments of $425,000 per year, with escalations of 10 percent every five years over the lease term.

In August 2014, CenterCal/TopGolf revised their proposal. The basic terms of the revised proposed ground lease agreement between CenterCal/TopGolf and the City of El Segundo are summarized as follows:

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease Term</td>
<td>20 years</td>
</tr>
<tr>
<td>Options to Extend</td>
<td>six 5-year options</td>
</tr>
<tr>
<td>Ground Rent</td>
<td></td>
</tr>
<tr>
<td>Construction Period (10 months)</td>
<td>$18,000 per month</td>
</tr>
<tr>
<td>Operating Period</td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>$525,000</td>
</tr>
<tr>
<td>Year 2</td>
<td>535,500</td>
</tr>
<tr>
<td>Year 3</td>
<td>546,210</td>
</tr>
<tr>
<td>Year 4</td>
<td>537,135</td>
</tr>
<tr>
<td>Year 5</td>
<td>568,280</td>
</tr>
<tr>
<td>Rent Escalation</td>
<td>10% every 5 years, beginning year 11</td>
</tr>
</tbody>
</table>

In both the original and revised proposals, the agreement stipulates that CenterCal/TopGolf will fund all of the costs to develop the TopGolf facility, and all related costs including the replacement parking, reconfiguration of the golf course, new clubhouse and other support facilities. As well, the proposed ground lease is a triple-net agreement such that TopGolf is responsible for all operating expenses related to the TopGolf facility. The City of El Segundo would be responsible for maintenance, operation and management of the golf course and clubhouse only.
The revised proposal also included a commitment of $250,000 towards the installation of lights on the reconfigured golf course, and offered to waive the business license fee sales tax credit.

The turnkey development cost of the TopGolf facility is estimated, based primarily on the experience of the Roseville, California project, at approximately $25 million. In addition, the CenterCal/TopGolf proposal calls for the cost of the reconfiguration of the golf course to be funded by CenterCal/TopGolf. The costs related to the reconfiguration of the golf course are estimated by CenterCal at approximately $2.5 million.

TopGolf has provided stable year revenue projections for the TopGolf El Segundo project. The annual gross revenue for the first operating year is projected, by major component, as follows:

<table>
<thead>
<tr>
<th>TopGolf Year 1 Revenue Projection</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Component</td>
<td>Amount ($000)</td>
</tr>
<tr>
<td>TopGolf</td>
<td>8,128.4</td>
</tr>
<tr>
<td>F&amp;B (incl. events)</td>
<td>10,561.7</td>
</tr>
<tr>
<td>Net Event</td>
<td>2,009.5</td>
</tr>
<tr>
<td>Retail &amp; Other</td>
<td>197.0</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$20,896.6</strong></td>
</tr>
</tbody>
</table>

As part of this assignment, the managers of several contemporary TopGolf facilities considered directly comparable to that proposed for El Segundo were contacted. Specifically, the managers of the Tampa TopGolf, Colony TopGolf (Dallas) and Gilbert TopGolf (Phoenix) were interviewed regarding their performance and experience at their facility. The results of these interviews is highlighted as follows:

- Each facility features 102 driving range "bays" with a gross structure size of 65,000 square feet, of which about 35,000-40,000 square feet is climate controlled, essentially identical to the facility proposed for El Segundo.
- The revenue volume and distribution by major component at each of these TopGolf facilities was entirely consistent with the El Segundo projections provided by TopGolf. In particular, taxable food and beverage and retail sales achieved at these comparable facilities support the El Segundo projections.
- Event sales and related activity represent an estimated 20-25 percent of total gross revenue volume. These events range widely from birthday parties for children to corporate team building functions. On average, between 25 and 50 percent of the events are corporate related.
- There is monthly variation in the business activity, which is influenced primarily by climate.
TopGolf offers a range of membership types priced from $80 to $250 per month which allow use of the range at designated times. First year membership sales appear to be at about the 200 member level at facilities surveyed, although some facilities have twice that number of members.

Avid golfers who want to work on their golf game typically purchase a membership rather than using the driving range on a daily fee basis.

The facilities have been successful at creating numerous programs which target varied market segments, including corporate leagues, tournaments, a junior golf academy and golf instruction.

Each facility employs approximately 450 employees, with about one-half full-time and one-half part-time.

The TopGolf facilities have established relationships with local hotels and with meeting planners as part of their corporate event promotion. It is not uncommon for hotel guests to patronize a nearby TopGolf facility, and there is a small percentage of corporate event attendees who are from outside the area, thus utilizing local hotels.

Construction Impact

Construction of the TopGolf facility and reconfigured golf course will result in closure of the golf course for a 10-month period, depriving the City of nearly one year's net operating income (at the course level), or approximately $450,000. There may also be costs related to maintaining key staff during the construction period, and it could be argued that closure of the course during the construction period will have a short term adverse impact on the rate at which displaced golfers return to The Lakes. While these other potential costs are acknowledged, for analysis purposes, only the loss of operating income during the construction period is included. Offsetting part of the loss in revenue is $18,000 per month paid during the construction period, or an estimated $180,000. Thus, the net construction impact is estimated at $270,000.
V. Golf Market Overview

The following section presents an overview of the golf market in which The Lakes at El Segundo golf course competes.

Demographics

The Lakes at El Segundo

Executive length golf courses and golf driving ranges typically draw support from a relatively local market area. In a suburban setting such as that provided in the South Bay, the majority of market support for an executive length golf course would derive from residents (and employees) located within a relatively small market area. A demographic profile for market area defined by a 5-, 10- and 15-minute drive time is presented in Table V-1. The 5-minute drive time market area includes most of El Segundo, and small portions of Manhattan Beach to the south and Hawthorne to the east. The broader 15-minute drive time area generally extends from Marina del Rey/Venice on the north to south Redondo Beach on the south, and from the coastline on the west to Hawthorne Boulevard on the east. Key characteristics are summarized below.

- Population density in the market areas is relatively high, consistent with suburban residential development. As expected, the population expands significantly as the drive time is increased from 5- to 10-minutes, and from 10- to 15-minutes. For example, while there currently is only about 17,500 population within a 5-minute drive time of The Lakes, there is nearly 190,000 population within the band between 5- and 10-minutes drive time, and nearly 440,000 between a 10- and 15-minute drive time.

- Population growth within the 15-minute drive time area is projected at less than .5% per year, confirming that this region of the County is relatively built-out. Most of the slight new growth will derive from redevelopment at somewhat higher densities.

- The median age for the 5-minute drive time area is 41.0 years, substantially higher than the statewide median of 35.2, while the median for the 15-minute drive time area is only slightly higher than the California median. The population age 65+ in the 5-minute drive time area is notably higher than observed statewide, while the percentage of senior population with the 15-minute drive time market area corresponds to the statewide share. Growth in the 65+ population is forecast to increase sharply over the next 5- to 10-year period as the first wave of the baby boom continues to age.

- The more localized area is relatively affluent with a median household income of just over $103,000. The median for the 15-minute drive time area is reported at about $59,000, slightly higher than the statewide median.

- The percentage of the population within a 5-minute drive time is predominantly non-Hispanic white (70.7 percent), declining sharply as the market area expands to the 15-minute drive time (16.9 percent).
<table>
<thead>
<tr>
<th>Population</th>
<th>Drive Time Market Area</th>
<th>5-Minute</th>
<th>10-Minute</th>
<th>15-Minute</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 (census)</td>
<td></td>
<td>16,910</td>
<td>202,978</td>
<td>637,091</td>
</tr>
<tr>
<td>2014 (estimated)</td>
<td></td>
<td>17,497</td>
<td>205,670</td>
<td>643,963</td>
</tr>
<tr>
<td>2019 (projected)</td>
<td></td>
<td>18,135</td>
<td>210,476</td>
<td>658,223</td>
</tr>
<tr>
<td>Average Annual Growth 2014-2019</td>
<td></td>
<td>0.72%</td>
<td>0.46%</td>
<td>0.44%</td>
</tr>
<tr>
<td><strong>Age Distribution</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 20</td>
<td></td>
<td>26.6%</td>
<td>26.3%</td>
<td>25.9%</td>
</tr>
<tr>
<td>20-64</td>
<td></td>
<td>60.3%</td>
<td>62.9%</td>
<td>62.5%</td>
</tr>
<tr>
<td>65+</td>
<td></td>
<td>13.1%</td>
<td>10.8%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Median Age</td>
<td></td>
<td>41.0</td>
<td>36.0</td>
<td>35.9</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median Household Income</td>
<td></td>
<td>$103,080</td>
<td>$70,996</td>
<td>$58,964</td>
</tr>
<tr>
<td>Households Exceeding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100,000</td>
<td></td>
<td>51.7%</td>
<td>36.7%</td>
<td>29.9%</td>
</tr>
<tr>
<td>$150,000</td>
<td></td>
<td>32.7%</td>
<td>20.5%</td>
<td>15.0%</td>
</tr>
<tr>
<td>$200,000</td>
<td></td>
<td>20.0%</td>
<td>11.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Race (percent)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White + Asian</td>
<td></td>
<td>86.9%</td>
<td>65.8%</td>
<td>55.2%</td>
</tr>
<tr>
<td>Hispanic</td>
<td></td>
<td>15.2%</td>
<td>39.5%</td>
<td>38.3%</td>
</tr>
<tr>
<td>Non-Hispanic White</td>
<td></td>
<td>60.3%</td>
<td>26.3%</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

Source: ESRI Business Analyst; Pro Forma Advisors, LLC
In general, the localized (5-minute drive time) market area is relatively more affluent, older and predominantly non-Hispanic white, all factors which favorably affect golf. As the market area expands, population increases significantly, although income levels and age profiles approach the levels observed statewide. A very significant factor which favorably affects demand for golf and the driving range is the daytime population in and around the City of El Segundo. The daytime population within the City of El Segundo is estimated at over 70,000, which compares with a resident population of only about 16,900.

TopGolf

In general, a TopGolf facility serves a much broader market area than a 9-hole executive length golf course. According to TopGolf, an estimated 75-80 percent of market support derives from about a 10-mile radius (equivalent to a 15- to 20-minute drive time). The balance of market support would be generated from residents beyond 10-miles, mostly within the south and western segments of Los Angeles County.

Golf Market Overview

National Market

Nationwide, golf play increased steadily between the mid-1980s and 2000. As shown in Table V-2, during this period, the total number of annual rounds played nationally increased at an average rate of 2.4 percent per year. Golf balls sold, perhaps the best indicator of play, increased at a similar rate (2.5 percent per year). This unprecedented growth in golf play was due to a number of factors including:

- An increase in the number of golfers
- The increasing importance of golf-oriented real estate
- Expansion of the golf tourism industry
- One of the longest economic expansions in the nation’s history.

The increase in golf demand and the popularity of golf-related housing development during the 1990s stimulated extraordinary expansion of the national golf course inventory, primarily between 1995 and 2002. Over the full 1990-2010 period, the inventory of golf courses in the United States increased by 34 percent, while the U.S. population registered only a 24 percent gain, and golf demand (play) increased only 12 percent over this same period.

Right after the new century started, the first signs of industry problems surfaced, and have persisted for the past 10 years. While total golfers and rounds played are down industrywide, individual golf courses have experienced steeper declines in utilization, along with revenue contraction and falling net operating income, as the market totals are spread over an increased supply of facilities. Further, golf course transaction prices have declined precipitously, bankruptcies and foreclosures have become routine, and new golf course construction has virtually ceased while the number of courses closing now well exceeds new openings. The
### Table V-2: Indicators of U.S. Golf Demand (1985-2013)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rounds (millions)</th>
<th>Number of Golfers' (millions)</th>
<th>Participation Rate</th>
<th>Golf Ball Sales (millions of dozens)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>365</td>
<td>17.5</td>
<td>10.2</td>
<td>36.0</td>
</tr>
<tr>
<td>1990</td>
<td>400</td>
<td>27.8</td>
<td>13.5</td>
<td>42.0</td>
</tr>
<tr>
<td>1995</td>
<td>420</td>
<td>25.0</td>
<td>11.6</td>
<td>46.0</td>
</tr>
<tr>
<td>2000</td>
<td>518</td>
<td>28.8</td>
<td>11.7</td>
<td>52.2</td>
</tr>
<tr>
<td>2001</td>
<td>518</td>
<td>29.5</td>
<td>11.9</td>
<td>50.0</td>
</tr>
<tr>
<td>2002</td>
<td>502</td>
<td>29.5</td>
<td>12</td>
<td>46.7</td>
</tr>
<tr>
<td>2003</td>
<td>495</td>
<td>30.4</td>
<td>12.4</td>
<td>43.4</td>
</tr>
<tr>
<td>2004</td>
<td>499</td>
<td>29.5</td>
<td>11.5</td>
<td>43.4</td>
</tr>
<tr>
<td>2005</td>
<td>489</td>
<td>29.3</td>
<td>11.2</td>
<td>43.6</td>
</tr>
<tr>
<td>2006</td>
<td>493</td>
<td>29.4</td>
<td>11.2</td>
<td>44</td>
</tr>
<tr>
<td>2007</td>
<td>490</td>
<td>29.5</td>
<td>11.1</td>
<td>43.5</td>
</tr>
<tr>
<td>2008</td>
<td>481</td>
<td>28.6</td>
<td>10.7</td>
<td>42.2</td>
</tr>
<tr>
<td>2009</td>
<td>477</td>
<td>27.1</td>
<td>10</td>
<td>40.1</td>
</tr>
<tr>
<td>2010</td>
<td>475</td>
<td>26.1</td>
<td>9.6</td>
<td>(--)</td>
</tr>
<tr>
<td>2011</td>
<td>463</td>
<td>25.7</td>
<td>9.2</td>
<td>(--)</td>
</tr>
<tr>
<td>2012</td>
<td>490</td>
<td>25.3</td>
<td>9.0</td>
<td>(--)</td>
</tr>
<tr>
<td>2013</td>
<td>485</td>
<td>24.7</td>
<td>8.9</td>
<td>(--)</td>
</tr>
</tbody>
</table>

**Average Annual Growth**

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985-1990</td>
<td>1.6%</td>
</tr>
<tr>
<td>1990-1995</td>
<td>1.0%</td>
</tr>
<tr>
<td>1995-2000</td>
<td>4.3%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2.4%</td>
</tr>
<tr>
<td>2000-2005</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>2005-2010</td>
<td>(1.0%)</td>
</tr>
<tr>
<td>2010-2013</td>
<td>(0.7%)</td>
</tr>
</tbody>
</table>

1/ Represents golfers over 12 years of age. 2/ Estimated by PFA. 3/ Estimated by PFA based on "soft goods" sales recorded by Data Tech and golf ball manufacture sales. 4/ For period 2005-2009. * Data for 2010-2013 not available in comparable format. Source: National Golf Foundation and Pro Forma Advisors LLC.
impact of market softness has been widespread and affected all segments of the market and all geographic areas.

The National Golf Foundation (NGF) reports that over the 2001-2011 period, annual golf play in the United States declined from 518 million to 468 million rounds, or over 11 percent, rebounding somewhat in 2012 to 490 million rounds before declining again in 2013 and 2014 to about 465 million rounds. Golf ball sales, perhaps a better indicator of demand, declined by about 20-25 percent over this time period. The golf participation rate, after rising steadily through 2003, has fallen precipitously from 12.4 percent in 2004 to a current level estimated at just under 9.0 percent. (It should be noted that the golfer participation rate is based on the number of golfers relative to the population over the age of 6 years old). Since 2007, the golf market has been significantly impacted by the national economic recession. Annual rounds in the U.S., according to industry reports, have declined by nearly 5 percent since 2007. Other independent sources indicate a much more severe contraction, which is borne out by other market indicators.

Since 2002, the construction of new courses has declined sharply, and the rate at which courses have closed has accelerated. Between 2006 and 2014, for example, the number of courses closed exceeded new course openings. New courses have been added to the inventory since 2006 at an annual rate of 50-60 courses per year, while course closings have averaged about 120 per year over this period. Despite the slowing expansion of new supply over the past eight years, golf market conditions in most markets continued to deteriorate, although most markets experienced some stability over the past three years.

**Regional Golf Market**

Golf demand in Southern California also increased steadily over the 1980-2000 period. Through the mid-1990s, there was relatively limited expansion of the inventory of golf facilities. In the early 1990s, the municipal golf courses and limited number of daily fee golf courses in Southern California were performing exceptionally well, with municipal golf course play exceeding 100,000 rounds at many Southern California courses and play on daily fee courses in the range of 60,000-80,000 annual rounds.

In response to increasing demand and a static supply situation, a number of golf courses were developed. A total of 55 public golf courses have opened in Southern California since 1995. These additions represent a 33 percent increase in the Southern California public golf course inventory. At the same time, six regulation length public golf courses have been closed in Southern California over the past 6-7 years, reducing the net increase to 49 courses (29%).

Play at public golf courses in the region for the 2008 through 2014 period has varied according to market positioning. High-end daily fee courses have generally experienced declines in play averaging about 15 to 25 percent from 2007 levels. Entry level and mid-market courses have experienced moderate (10-15 percent) changes in play over the 2007-2014 period. The loss in play on shorter courses (par-3 and executive length) has generally been greater than on regulation length courses, apparently reflecting the decline in new golf participants as well as the general falloff in golf participation.
Regional Market Characteristics

An inventory of regional golf courses is contained in Table V-3. The inventory of par-3 and executive length public golf courses located within (or on the periphery of) the primary market area is as follows:

<table>
<thead>
<tr>
<th>Course</th>
<th>Course Type</th>
<th>Number of Holes</th>
<th>Distance From Subject (miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakes at El Segundo*</td>
<td>Executive</td>
<td>9</td>
<td>---</td>
</tr>
<tr>
<td>Manhattan-Marriott*</td>
<td>Par-3</td>
<td>9</td>
<td>1.7</td>
</tr>
<tr>
<td>Westchester*</td>
<td>Executive</td>
<td>18</td>
<td>4.6</td>
</tr>
<tr>
<td>Alondra Park*</td>
<td>Par-3</td>
<td>18</td>
<td>5.3</td>
</tr>
<tr>
<td>Penmar</td>
<td>Executive</td>
<td>9</td>
<td>8.3</td>
</tr>
<tr>
<td>Rancho Park</td>
<td>Par-3</td>
<td>9</td>
<td>9.8</td>
</tr>
</tbody>
</table>

* Within 15-minute drive time market area.

Selected characteristics of nine hole par-3 and executive length courses is presented in Table V-4. The following provides a brief overview of golf market conditions.

- Nationally and in California, short courses (executive and par-3) account for 11 percent and 20 percent of the total number of public golf courses, respectively. In Los Angeles County, about 30 percent of the public inventory is less than regulation length.
- The ratio of population per short course (18-hole equivalent), a general measure of supply-demand condition, is calculated at 321,500 within the primary (15-minute drive time) market area compared with 335,000 in Los Angeles County and 300,000 statewide. This gross measure suggests that the local less-than-regulation length golf market is generally in-balance at this time.
- Par-3 and executive length courses typically attract three distinct market segments--juniors, seniors, and beginning golfers. These courses, in many respects, serve as the incubator for the golf industry. Combining practice facilities with the short courses creates the opportunity for a full-service golf learning center.
- In addition to these shorter courses, there are three regulation length 18-hole golf courses available to the public in the broader market area. The ratio of regulation length golf courses in the broader region is calculated at about 500,000 population per course compared with a statewide ratio of only 90,000, suggesting this region is substantially underserved with regard to public access regulation length golf courses.
- Annual play (starts) at this selected sample of short courses varies widely. Most facilities without lights accommodate 40,000 to 60,000 rounds per year.
### Table V-3: Inventory of Public Golf Courses--West Los Angeles/South Bay Region

<table>
<thead>
<tr>
<th>Course</th>
<th>Driving Distance (miles)</th>
<th>Number of Holes</th>
<th>Par</th>
<th>Golf Course Length (yards)</th>
<th>Range (number of tees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Lakes</td>
<td>---</td>
<td>9</td>
<td>29</td>
<td>1,340</td>
<td>58</td>
</tr>
<tr>
<td>Manhattan Marriott</td>
<td>1.7</td>
<td>9</td>
<td>27</td>
<td>1,209</td>
<td>---</td>
</tr>
<tr>
<td>Westchester</td>
<td>4.6</td>
<td>18</td>
<td>64</td>
<td>4,339</td>
<td>80</td>
</tr>
<tr>
<td>Alondra Park-Reg</td>
<td>5.3</td>
<td>18</td>
<td>72</td>
<td>6,323</td>
<td>40</td>
</tr>
<tr>
<td>Alondra Park-Exec</td>
<td>5.3</td>
<td>18</td>
<td>54</td>
<td>2,356</td>
<td>40</td>
</tr>
<tr>
<td>Chester Washington</td>
<td>6.0</td>
<td>18</td>
<td>72</td>
<td>6,348</td>
<td>20</td>
</tr>
<tr>
<td>Penmar</td>
<td>8.3</td>
<td>9</td>
<td>33</td>
<td>2,501</td>
<td>---</td>
</tr>
<tr>
<td>Rancho Park-Reg</td>
<td>9.8</td>
<td>18</td>
<td>72</td>
<td>6,585</td>
<td>45</td>
</tr>
<tr>
<td>Rancho Park-Par 3</td>
<td>9.8</td>
<td>9</td>
<td>27</td>
<td>1,984</td>
<td>45</td>
</tr>
<tr>
<td>Victoria</td>
<td>10.5</td>
<td>18</td>
<td>72</td>
<td>6,616</td>
<td>30</td>
</tr>
<tr>
<td>Harbor Park</td>
<td>14.3</td>
<td>9</td>
<td>36</td>
<td>3,161</td>
<td>---</td>
</tr>
<tr>
<td>Links at Terranea</td>
<td>14.7</td>
<td>9</td>
<td>27</td>
<td>1,239</td>
<td>---</td>
</tr>
<tr>
<td>Los Verdes</td>
<td>15.6</td>
<td>18</td>
<td>72</td>
<td>6,273</td>
<td>44</td>
</tr>
</tbody>
</table>
### Table V-4: Selected Characteristics of Regional Short Golf Courses

<table>
<thead>
<tr>
<th></th>
<th>The Lakes</th>
<th>Manhattan-Marriott</th>
<th>Penmar</th>
<th>Roosevelt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Course</strong></td>
<td>Executive</td>
<td>Par-3</td>
<td>Executive</td>
<td>Executive</td>
</tr>
<tr>
<td><strong>Owner</strong></td>
<td>City of El Segundo</td>
<td>Marriott</td>
<td>City of Los Angeles</td>
<td>City of Los Angeles</td>
</tr>
<tr>
<td><strong>Operator</strong></td>
<td>Lane/Donovan</td>
<td>Marriott</td>
<td>City of Los Angeles</td>
<td>City of Los Angeles</td>
</tr>
<tr>
<td><strong>Year Opened</strong></td>
<td>1994</td>
<td>1988</td>
<td>1962</td>
<td>1964</td>
</tr>
<tr>
<td><strong># of Holes</strong></td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Par</strong></td>
<td>29</td>
<td>27</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td><strong>Lighted</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Length (yards)</strong></td>
<td>1,340</td>
<td>1,213</td>
<td>2,501</td>
<td>2,400</td>
</tr>
<tr>
<td><strong>Type of Tees</strong></td>
<td>Natural Turf</td>
<td>Natural Turf</td>
<td>Natural Turf</td>
<td>Natural Turf</td>
</tr>
<tr>
<td><strong>Practice Range</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong># of Tees</strong></td>
<td>58</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>Lighted</strong></td>
<td>Yes</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>Natural/Artificial</strong></td>
<td>Artificial Mats</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>Annual Rounds</strong></td>
<td>43,200</td>
<td>25,000</td>
<td>90,000</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Greens Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WD Regular</strong></td>
<td>$15/$10 ¹/₂</td>
<td>19.00</td>
<td>$17.50/$14.50 ¹</td>
<td>$17.50/$14.50 ¹</td>
</tr>
<tr>
<td><strong>WD Senior</strong></td>
<td>12/8 ¹/₂</td>
<td>15.00/12.00 ¹/₂</td>
<td>12.00/9.00 ¹/₂</td>
<td>12.00/9.00 ¹/₂</td>
</tr>
<tr>
<td><strong>WD Junior</strong></td>
<td>11/8 ¹/₂</td>
<td>15.00/12.00 ¹/₂</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td><strong>WE Regular</strong></td>
<td>$18/$12 ¹/₂</td>
<td>22.00</td>
<td>22.00/19.00 ¹/₂</td>
<td>22.00/19.00 ¹/₂</td>
</tr>
<tr>
<td><strong>WE Senior</strong></td>
<td>$18/$12 ¹/₂</td>
<td>...</td>
<td>14.00/11.00 ¹/₂</td>
<td>14.00/11.00 ¹/₂</td>
</tr>
<tr>
<td><strong>WE Junior</strong></td>
<td>$15/$12 ¹/₂</td>
<td>...</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td><strong>Golf Carts-Inventory</strong></td>
<td>none</td>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td><strong>Fee/Player</strong></td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>
### Table V-4 (continued): Selected Characteristics of Regional Short Golf Courses

<table>
<thead>
<tr>
<th></th>
<th>Ironwood</th>
<th>Van Nuys</th>
<th>Vista Valencia</th>
<th>Lake Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Course</strong></td>
<td>Executive</td>
<td>Executive</td>
<td>Par-3</td>
<td>Executive</td>
</tr>
<tr>
<td><strong>Owner</strong></td>
<td>City of Cerritos</td>
<td>L.A. Dept of Airports</td>
<td>American Golf</td>
<td>County of Orange</td>
</tr>
<tr>
<td><strong>Operator</strong></td>
<td>City of Cerritos</td>
<td>So. Cal. Golf LLC</td>
<td>American Golf</td>
<td>American Golf</td>
</tr>
<tr>
<td><strong>Year Opened</strong></td>
<td>1977</td>
<td>1965</td>
<td>1963</td>
<td>1991</td>
</tr>
<tr>
<td><strong># of Holes</strong></td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Par</strong></td>
<td>29</td>
<td>30</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td><strong>Lighted</strong></td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Length (yards)</strong></td>
<td>1,468</td>
<td>1,574</td>
<td>915</td>
<td>1,115</td>
</tr>
<tr>
<td><strong>Type of Tees</strong></td>
<td>Both</td>
<td>Artificial Mats</td>
<td>Turf</td>
<td>Turf</td>
</tr>
<tr>
<td><strong>Practice Range</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong># of Tees</strong></td>
<td>25</td>
<td>42</td>
<td>30</td>
<td>86</td>
</tr>
<tr>
<td><strong>Lighted</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Natural/Artificial</strong></td>
<td>Both</td>
<td>Artificial Mats</td>
<td>Both</td>
<td>Artificial Mats</td>
</tr>
<tr>
<td><strong>Annual Rounds</strong></td>
<td>55,000</td>
<td>60,000</td>
<td>35,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Greens Fees</strong></td>
<td><strong>$13.00/11.00</strong>/</td>
<td><strong>$13.00</strong></td>
<td><strong>$13.00</strong></td>
<td><strong>$14.00</strong></td>
</tr>
<tr>
<td><strong>WD Senior</strong></td>
<td>9.00/8.00/</td>
<td>11.00</td>
<td>10.00</td>
<td>9.00</td>
</tr>
<tr>
<td><strong>WD Junior</strong></td>
<td>8.50/7.50/</td>
<td>11.00</td>
<td>10.00</td>
<td>9.00</td>
</tr>
<tr>
<td><strong>WE Regular</strong></td>
<td>14.00/12.00/</td>
<td>17.00</td>
<td>16.00</td>
<td>16.00</td>
</tr>
<tr>
<td><strong>WE Senior</strong></td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>11.00</td>
</tr>
<tr>
<td><strong>WE Junior</strong></td>
<td>8.50/7.50/</td>
<td>---</td>
<td>---</td>
<td>11.00</td>
</tr>
<tr>
<td><strong>Golf Carts-Inventory</strong></td>
<td>none</td>
<td>none</td>
<td>none</td>
<td>3</td>
</tr>
<tr>
<td><strong>Fee/Player</strong></td>
<td>---</td>
<td>---</td>
<td>---</td>
<td><strong>$7.00</strong></td>
</tr>
</tbody>
</table>
Use of golf course night lighting extends the capacity of the course by an average of four hours in the winter and two hours in the summer. A high percentage (40-50 percent) of additional capacity is utilized in the summer, and 20-30 percent in the winter. Overall, night lighting should result in an increase of about 15-20 percent in play levels annually.

Greens fees also vary widely depending on the course location, quality, length and other factors. However, a reasonable rule-of-thumb is a standard rate structure based on about $10 per 1,000 yards of course length:

<table>
<thead>
<tr>
<th>Course</th>
<th>Course Length (yards)</th>
<th>Standard Greens Fees Weekday</th>
<th>Weekday</th>
<th>Weekend</th>
<th>Standard Greens Fees per 1,000 Yards of Course Length Weekday</th>
<th>Weekend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakes at El Segundo</td>
<td>1,340</td>
<td>$15.00</td>
<td>$18.00</td>
<td>$11.19</td>
<td>$13.43</td>
<td></td>
</tr>
<tr>
<td>Manhattan Marriott</td>
<td>1,209</td>
<td>19.00</td>
<td>22.00</td>
<td>15.72</td>
<td>18.20</td>
<td></td>
</tr>
<tr>
<td>Westchester</td>
<td>4,339</td>
<td>23.50</td>
<td>30.50</td>
<td>5.42</td>
<td>7.03</td>
<td></td>
</tr>
<tr>
<td>Van Nuys</td>
<td>2,181</td>
<td>16.00</td>
<td>20.00</td>
<td>7.34</td>
<td>9.17</td>
<td></td>
</tr>
<tr>
<td>Alondra Park</td>
<td>2,356</td>
<td>13.00</td>
<td>16.25</td>
<td>5.52</td>
<td>6.90</td>
<td></td>
</tr>
<tr>
<td>Verdugo Hills</td>
<td>1,805</td>
<td>16.00</td>
<td>18.00</td>
<td>8.86</td>
<td>9.97</td>
<td></td>
</tr>
<tr>
<td>Heartwell</td>
<td>2,143</td>
<td>16.00</td>
<td>18.00</td>
<td>7.47</td>
<td>8.40</td>
<td></td>
</tr>
<tr>
<td>El Cariso</td>
<td>4,463</td>
<td>23.00</td>
<td>30.25</td>
<td>5.15</td>
<td>6.78</td>
<td></td>
</tr>
<tr>
<td>Vista Valencia-Exec</td>
<td>4,366</td>
<td>22.50</td>
<td>29.50</td>
<td>5.15</td>
<td>6.76</td>
<td></td>
</tr>
<tr>
<td>Vista Valencia-Par 3</td>
<td>915</td>
<td>13.00</td>
<td>16.00</td>
<td>14.21</td>
<td>17.49</td>
<td></td>
</tr>
<tr>
<td>Bixby Village</td>
<td>1,795</td>
<td>14.50</td>
<td>16.50</td>
<td>8.08</td>
<td>9.19</td>
<td></td>
</tr>
<tr>
<td>Lake Forest</td>
<td>1,115</td>
<td>14.00</td>
<td>16.00</td>
<td>12.56</td>
<td>14.35</td>
<td></td>
</tr>
</tbody>
</table>

Seniors and juniors typically receive greens fees discounts at the competitive courses surveyed. However, most facilities impose restrictions when discount play is accepted. Generally, discount play is either totally restricted on weekends, or limited until afternoon on these days.

Nearly all 18-hole courses offer twilight or 9-hole rates, typically set at about 60 percent of the regular rate. Courses with night lighting have varying price policies. Some charge the twilight rate, but most charge either the regular rate or the weekend rate for night play.
Short courses in this region are used heavily by juniors and seniors. The percentage of play at Los Angeles County courses, for example, is summarized as follows:

<table>
<thead>
<tr>
<th>Golfer Classification</th>
<th>Par-3/Executive</th>
<th>Regulation</th>
<th>All Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>63%</td>
<td>71%</td>
<td>69%</td>
</tr>
<tr>
<td>Junior</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Senior</td>
<td>28%</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Tournament</td>
<td>2%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Complimentary/Special</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: Regular play also includes senior/junior golfers paying regular greens fees.

In general, most par-3 and executive length golf courses have experienced modest declines in play, while regulation length golf course play has been relatively stable. While The Lakes experienced a decline in play of about 12 percent in 2014 compared with 2013, Westchester's 18-hole executive course has showed no decline at all over the past several years. On the other hand, play on the 18-hole par-3 golf course at Alondra Park has declined nearly 20 percent over the past year.

There are six golf course-affiliated practice ranges in (and on the periphery of) the primary market area:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Distance from Subject (miles)</th>
<th>Number of Tees</th>
<th>Night Lights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakes at El Segundo</td>
<td>---</td>
<td>58</td>
<td>Yes</td>
</tr>
<tr>
<td>Westchester</td>
<td>4.6</td>
<td>80</td>
<td>Yes</td>
</tr>
<tr>
<td>Alondra Park</td>
<td>5.3</td>
<td>40</td>
<td>Yes</td>
</tr>
<tr>
<td>Chester Washington</td>
<td>6.0</td>
<td>20</td>
<td>No</td>
</tr>
<tr>
<td>Rancho Park</td>
<td>9.8</td>
<td>43</td>
<td>Yes</td>
</tr>
<tr>
<td>Los Verdes</td>
<td>15.6</td>
<td>42</td>
<td>No</td>
</tr>
<tr>
<td>Total Market Area</td>
<td>---</td>
<td>283</td>
<td>---</td>
</tr>
</tbody>
</table>

Most of the facilities are price in the $.12 per ball range for medium-sized buckets (60-70 balls) and $.10 per ball for a large bucket (100 balls).
Annual gross revenue at the lighted facilities with 40-60 tee stations is generally in the $10,000 to $12,000 per tee station.
VI. Revenue Enhancement/Cost Efficiencies

Several modifications to the facility and changes in operating policies have been suggested in an effort to increase play and revenue on the golf course. The following section evaluates the merit of several suggested modifications.

Revenue Enhancements

Night Lighting

The concept of night lighting at The Lakes is evaluated on a cost-benefit basis. The benefit of night lighting is attributed to extending the capacity of the golf course by both allowing play to start pre-dawn and into the evening. A number of par-3 and executive length golf courses in Southern California feature night lighting including Westchester Golf Course in Westchester, David Baker Golf Course in Fountain Valley, Lake Forest Golf and Practice Center in Irvine, Newport Beach Golf Course in Newport Beach, Mission Bay Golf Course in San Diego, Arroyo Seco in South Pasadena, and Van Nuys Golf Course in Van Nuys. A survey of these courses revealed the following observations:

- The moderate Southern California climate lends itself to night time play.
- Night lighting creates greater capacity, ranging from four additional hours in the winter and two additional hours in the summer. At an average of 30 golfer tee times per hour, additional capacity averages about 90 tee times per day on a year-round basis.
- Utilization of night time tee times varies among golf course depending on location, strength of market, climate, pricing, product quality and other factors. On average, utilization tends to average about 20-30 percent, resulting in about 20-30 additional rounds per day.
- Most of the existing lighted courses operate with older generation systems which are less effective and more costly than current technology provides.
- The pricing strategy for night play varies among courses. Some courses charge the same rates throughout the day/night, while others charge the twilight rate for night time play.
- Night lighting creates greater opportunity to accommodate league play.
- Most night lighted golf courses also offer lighted driving ranges such that there are clear economies in staffing at night.
- Managers believe that while the economics of night lighting are not overwhelmingly positive given the age of their lighting systems, the uniqueness of the lighting is beneficial in project identification and image.
The electrical cost of the older lighting systems average about $3.50-$4.00 per acre per hour, substantially more than the $1.00 per acre per hour cost associated with contemporary systems.

Importantly, The Lakes was designed and constructed with the idea that night lighting could be easily added. As such, the course includes a network of junction boxes, and underground electrical conduit for lighting is in-place. Given this situation, and based on discussions with a sports lighting manufacturing representative with golf course lighting experience, the “turnkey” capital cost of a lighting system for The Lakes is roughly estimated at about $450,000, including the lighting system and installation. The annual amortization cost, based on a 25-year life and 5 percent cost of capital, is calculated at $32,000.

Based on the experience of other Southern California lighted courses, it is estimated that night lighting at The Lakes will result in an average of about 25 rounds of golf per day, or 8,750 rounds annually. Thus, the annual economic cost-benefit of providing night lighting is projected as follows:

<table>
<thead>
<tr>
<th>Table VI-1: Impact of Night Lighting at The Lakes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Facility</strong></td>
</tr>
<tr>
<td>With $250,000 Contribution</td>
</tr>
<tr>
<td><strong>Incremental Gross Revenue</strong></td>
</tr>
<tr>
<td>Greens Fees (8,750 @ $12)</td>
</tr>
<tr>
<td>Ancillary Net Revenue (8,750 @ $1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Incremental Expenses</strong></td>
</tr>
<tr>
<td>Additional Staffing (4 hours/day @ $15/hour)</td>
</tr>
<tr>
<td>Utilities (20 acres @ $1/acre/hour, 4 hours daily)</td>
</tr>
<tr>
<td>Debt Service</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
</tr>
</tbody>
</table>

**Golf Retailer**

Occasionally, a golf course/driving range location also serves as a desirable location for a large golf retailer like a Roger Dunn Golf Shop. The ability to demonstrate golf clubs on the golf practice range offers an
additional benefit for the retailer. Successful golf retail shops operate at the Del Mar Golf Center in San Diego County and The Islands Golf Center in Anaheim.

A representative of one of the country's leading golf retail outlets indicated that The Lakes location may offer an opportunity for a major golf retailer. Most retailers desire a store with about 3,000 square feet of leasable floor area. Minimum store annual gross sales volume ranges upward from $1.5 million ($500 per square foot per year). Typically such stores operate with percentage rents, averaging about 5 percent of gross sales, triple-net. At gross sales volume of $1.5 to $2 million, annual rent would be on the order of $75,000 to $100,000, equal to $25 to $33 per square foot per year.

Locating a major retailer at The Lakes would require major modification to the existing clubhouse and/or construction of a new facility to house a 3,000 square foot retailer, provide a small snack bar, a small starter house and administrative office space. In addition to the cost of creating the floor area required, locating a major retailer would displace the net margin currently generated by pro shop sales, estimated at about $50,000 per year (30 percent margin on $170,000 annual pro shop sales).

If the cost of modifying/adding space to facilitate locating a major golf retailer exceeded $600,000, the additional net rent collected would be fully offset by the cost to amortize the capital cost and the loss of the net contribution from existing pro shop sales.

Electric Golf Carts

A few 9-hole executive length golf courses have a small inventory, typically 2-4, of electric golf carts available to golfers. However, such carts are primarily provided for senior golfers requiring mobility assistance. Most short 9-hole golf courses with carts report that utilization is relatively low. Thus, most of the revenue generated from the rental of the carts is offset by the cost of their amortization and maintenance costs, resulting in negligible net income. Moreover, additional up-front capital would be required for a minimal cart path system and cart storage.

Expanded Instructional Programs

Under the leadership of teaching professional Josh Alpert, The Lakes at El Segundo has developed a very strong junior golf program. The Junior Summer Camp has been a resounding success, introducing and developing young golfers to the game, and generating a modest income flow for the golf course. There appears to be an opportunity to expand junior golf programs at The Lakes through both offering several camps during the non-summer months, and group instructional programs.

Heated Driving Range Tee Stations

Heating the lower tee line (29 tee stations) would provide a more desirable environment for range users during cold periods, primarily in the evenings. The range currently generates gross revenue of about $12,400 per tee station per year. It is estimated that heating the lower tee line would generate an additional
$40,000 to $50,000 per year in gross revenue, with minimal associated expenses, thus increasing the gross revenue per tee station from $12,400 to about $13,000 per year (5% increase).
VII. Direct Economics

The following section presents projections for the two basic scenarios—(1) continuation of The Lakes golf facility under its current configuration (golf course and range); and (2) development of a TopGolf complex along with a similar standalone golf course.

Golf Course Economics

The golf complex is analyzed under both basic scenarios. The existing golf course scenario assumes the golf course and driving range continue to operate under their current structure, with the facility owned by the City and maintained, managed, and operated by a professional golf course management company on a fee-for-service basis. The TopGolf scenario assumes the golf course is reconfigured as a standalone facility, operated without a golf practice range. The golf course also is maintained, managed and operated by a professional golf course management company.

The comparative analysis is based on the following general assumptions:

- The analysis period is 25 years, with no reversionary value assigned at the end of the analysis period.
- Capital improvements are implemented in a timely manner.
- The golf course would be lighted for night play under both scenarios.
- The lower level of the driving range is equipped with heaters under the existing golf course scenario.
- Junior golf camps, and other programs are extended from the Summer months to year-round availability under both scenarios.
- Irrigation water is available from the West Basin Water District.
- The course continues to provide resident greens fees discounts.
- Revenues and expenses increase at a 2 percent average annual rate, unless otherwise noted. All values shown in the documentation below are expressed in constant 2015 dollars.

Golf Course Revenues

Golf Course Play—Both Scenarios:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Projected*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43,200</td>
<td>50,000</td>
</tr>
</tbody>
</table>

* Assumes night lighting

Greens Fees (average revenue per paid round)—Both Scenarios:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$15.95 per round</td>
<td>$15.20 per round (reflects lower rate for night play)</td>
</tr>
</tbody>
</table>
Practice Range Revenue--Existing Course Scenario (with heated tee line):
- Current: $721,100 ($12,430 per tee)
- Projected: $754,000 ($13,000 per tee)

Pro Shop Retail Sales:
- Current: $3.80 per round
- Projected--Existing Course Scenario: $3.50 per round
- Projected--TopGolf Scenario: $1.50 per round

Food & Beverage Sales (excluding alcoholic beverages)
- Current: $6.65 per round
- Projected--Existing Course Scenario: $6.00 per round (reflects night lighting)
- Projected--TopGolf Scenario: $3.50 per round

Alcoholic Beverage--Net Lease (10%)
- Current: $0.17 per round
- Projected--Existing Course Scenario: $0.17 per round
- Projected--TopGolf Scenario: $0.10 per round

Lessons (assumes expanded year-round junior golfer programming)
- Current: $176,700 per year (includes range lessons)
- Projected--Existing Course Scenario: $225,000 per year (includes range lessons)
- Projected--TopGolf Scenario: $80,000 per year (30% reduction from current level)

Miscellaneous
- Current: $0.10 per round
- Projected--Existing Course Scenario: $0.10 per round
- Projected--TopGolf Scenario: $0.10 per round

**Cost of Sales (both scenarios)**

Pro Shop Merchandise
- Current: 64% of merchandise gross revenue
- Projected (both scenarios): 65% of merchandise gross revenue
Food & Beverage

- Current: 47% of F & B gross revenue (excluding alcohol)
- Projected-Existing Course Scenario: 47% of F & B gross revenue (excluding alcohol)
- Projected-TopGolf Scenario: 40% of F & B gross revenue (excluding alcohol)

**Operating Expenses**

Annual stable year operating expenses for each scenario are presented in Table VII-1, by major component. The expenses are expressed in constant 2015 dollars. Projected expenses for the existing golf course scenario approximate current levels, while projected expenses for the TopGolf scenario are based on the standalone golf course, without the range operations.

**Stable Year Net Operating Income**

Stable year net operating income for the existing golf course/clubhouse and golf practice range, and reconfigured golf course as a standalone facility is projected in Table VII-2. The values in the table are expressed in constant 2015 dollars. As noted above, the revenue estimates (and operating expenses) reflect a series of improvements including night lighting of the golf course, heating of the lower tee line of the practice range, and expanded year-round junior golf programming.

The net income shown is on the course level, before deductions for several other overhead and “below the line” items including City administrative charges, City insurance allocations, interest on General Fund debt, and depreciation.
## Table VII-1: The Lakes Projected Operating Expenses By Department--($000)

<table>
<thead>
<tr>
<th>Department</th>
<th>Actual--2014</th>
<th>Projected--Exist Course</th>
<th>Projected--Reconfigured</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Course Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits</td>
<td>$220.5</td>
<td>$220.0</td>
<td>$220.0</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>112.6</td>
<td>115.0</td>
<td>115.0</td>
</tr>
<tr>
<td>Irrigation Water/Electricity (60%)</td>
<td>121.0</td>
<td>150.0</td>
<td>140.0</td>
</tr>
<tr>
<td>Equipment Replacement Charge</td>
<td>8.7</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$462.8</td>
<td>$495.0</td>
<td>$485.0</td>
</tr>
<tr>
<td><strong>Golf Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits (Pro Shop)</td>
<td>$44.1</td>
<td>$45.0</td>
<td>$55.0</td>
</tr>
<tr>
<td>Range Expenses/Utilities</td>
<td>147.6</td>
<td>$140.0</td>
<td>...</td>
</tr>
<tr>
<td>Services &amp; Supplies (Golf)</td>
<td>10.8</td>
<td>12.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$202.5</td>
<td>$197.0</td>
<td>$65.0</td>
</tr>
<tr>
<td><strong>Lessons</strong></td>
<td>$81.2</td>
<td>$120.0</td>
<td>$60.0</td>
</tr>
<tr>
<td><strong>Food &amp; Beverage</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits</td>
<td>$156.5</td>
<td>$160.0</td>
<td>$75.0</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>43.9</td>
<td>40.0</td>
<td>13.5</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$199.2</td>
<td>$200.0</td>
<td>$87.5</td>
</tr>
<tr>
<td><strong>Clubhouse Undistributed</strong></td>
<td>$74.2</td>
<td>$75.0</td>
<td>$38.0</td>
</tr>
<tr>
<td><strong>General &amp; Administrative</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll &amp; Benefits</td>
<td>$143.1</td>
<td>$140.0</td>
<td>$140.0</td>
</tr>
<tr>
<td>Marketing &amp; Promotion</td>
<td>17.5</td>
<td>20.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Credit Card</td>
<td>35.8</td>
<td>36.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>76.7</td>
<td>75.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Management Fee</td>
<td>96.0</td>
<td>96.0</td>
<td>84.0</td>
</tr>
<tr>
<td>SCE Right-of-Way Lease</td>
<td>41.8</td>
<td>42.0</td>
<td>33.0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$410.9</td>
<td>$409.0</td>
<td>$352.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,430.6</td>
<td>$1,496.0</td>
<td>$1,087.5</td>
</tr>
<tr>
<td><strong>Plus: City Administration</strong></td>
<td>$130.2</td>
<td>$130.2</td>
<td>$130.2</td>
</tr>
<tr>
<td><strong>Insurance &amp; Bonds</strong></td>
<td>119.6</td>
<td>30.0</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Adjusted Total</strong></td>
<td>$1,680.6</td>
<td>$1,656.2</td>
<td>$1,237.7</td>
</tr>
<tr>
<td></td>
<td>Actual FY2014</td>
<td>Existing Course&lt;sup&gt;1/&lt;/sup&gt;</td>
<td>Reconfigured&lt;sup&gt;1/&lt;/sup&gt; Standalone Course</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------</td>
<td>------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greens Fees</td>
<td>$689.2</td>
<td>$760.0</td>
<td>$760.0</td>
</tr>
<tr>
<td>Range Revenue</td>
<td>721.1</td>
<td>754.0</td>
<td>---</td>
</tr>
<tr>
<td>Pro Shop Sales</td>
<td>164.3</td>
<td>175.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>287.1</td>
<td>300.0</td>
<td>175.0</td>
</tr>
<tr>
<td>Alcoholic Beverage-Lease Payment</td>
<td>7.2</td>
<td>8.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Lessons/Camps</td>
<td>176.7</td>
<td>225.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Other/Miscellaneous</td>
<td>1.4</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,047.1</td>
<td>$2,227.5</td>
<td>$1,100.0</td>
</tr>
<tr>
<td><strong>Less: Cost of Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro Shop Sales</td>
<td>$126.5</td>
<td>$113.8</td>
<td>$48.8</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>134.7</td>
<td>141.0</td>
<td>70.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$261.2</td>
<td>$254.8</td>
<td>$118.8</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$1,785.9</td>
<td>$1,972.7</td>
<td>$981.2</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Course Maintenance</td>
<td>$462.8</td>
<td>$495.0</td>
<td>$485.0</td>
</tr>
<tr>
<td>Golf Operations/Range</td>
<td>202.5</td>
<td>197.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Lessons</td>
<td>81.2</td>
<td>120.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>199.2</td>
<td>200.0</td>
<td>87.5</td>
</tr>
<tr>
<td>Clubhouse Undistributed</td>
<td>74.2</td>
<td>75.0</td>
<td>38.0</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>410.9</td>
<td>409.0</td>
<td>352.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,430.8</td>
<td>$1,496.0</td>
<td>$1,087.5</td>
</tr>
<tr>
<td><strong>Net Operating Income--Course Level</strong></td>
<td>$355.1</td>
<td>$476.7</td>
<td>($106.3)</td>
</tr>
</tbody>
</table>

<sup>1/</sup> Projections reflect implementation of revenue enhancement measures.
TopGolf

The TopGolf scenario is comprised of a new TopGolf facility and modified 9-hole executive length golf course. The economics of just the TopGolf component are shown below. The analysis is based on the following general assumptions:

- The analysis period is for 25 years, plus one year construction period (assumes term extension option exercised).
- The TopGolf rent is triple-net, with all expenses relating to the TopGolf facility (including the driving range) the responsibility of the lessee.
- The golf course would continue to be owned by the City and operated on a fee-for-service management contract basis.
- The existing clubhouse would be razed and replaced by a small starter operation/snack bar of approximately 2,500 square feet.
- A number of the TopGolf driving range stations would be available at selected times at no cost for junior golf programs.
- Teaching professionals would contract for range use directly with TopGolf.

The initial CenterCal/TopGolf proposal called for annual ground lease payments of $425,000, with a 10 percent escalation every five years.

Based on the revised proposal submitted by CenterCal/TopGolf, the following ground lease payments are projected:
<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Rent</th>
<th>Year</th>
<th>Annual Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$180,000</td>
<td>13</td>
<td>$625,100</td>
</tr>
<tr>
<td>1</td>
<td>525,000</td>
<td>14</td>
<td>625,100</td>
</tr>
<tr>
<td>2</td>
<td>535,500</td>
<td>15</td>
<td>625,100</td>
</tr>
<tr>
<td>3</td>
<td>546,200</td>
<td>16</td>
<td>687,600</td>
</tr>
<tr>
<td>4</td>
<td>557,100</td>
<td>17</td>
<td>687,600</td>
</tr>
<tr>
<td>5</td>
<td>568,300</td>
<td>18</td>
<td>687,600</td>
</tr>
<tr>
<td>6</td>
<td>568,300</td>
<td>19</td>
<td>687,600</td>
</tr>
<tr>
<td>7</td>
<td>568,300</td>
<td>20</td>
<td>687,600</td>
</tr>
<tr>
<td>8</td>
<td>568,300</td>
<td>21</td>
<td>756,400</td>
</tr>
<tr>
<td>9</td>
<td>568,300</td>
<td>22</td>
<td>756,400</td>
</tr>
<tr>
<td>10</td>
<td>568,300</td>
<td>23</td>
<td>756,400</td>
</tr>
<tr>
<td>11</td>
<td>625,100</td>
<td>24</td>
<td>756,400</td>
</tr>
<tr>
<td>12</td>
<td>625,100</td>
<td>25</td>
<td>756,400</td>
</tr>
</tbody>
</table>

**Standalone Golf Practice Range**

Net operating income projections for a standalone practice range at The Lakes are presented in Table VII-4. As a standalone facility, the practice range would require its own administrative and operating overhead, while under a combined golf course/driving range operation, these duties would be shared. For example, as golf course and practice range standalone operations, each would require operations personnel and management, whereas under a single operation, this redundancy would be eliminated.

Net operating income of a standalone practice range, expressed in constant 2015 dollars, is projected at $394,000 per year. The net income is presented before before any City overhead, debt service, or depreciation, and capital improvement reserves. In effect, the projections relate to a privately owned/operated practice range.
<table>
<thead>
<tr>
<th>Table VII-4: Projected Net Income of Standalone Golf Practice Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td>Range Fees</td>
</tr>
<tr>
<td>Instruction (net)</td>
</tr>
<tr>
<td>Golf Repair Shop/Other (net)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
</tr>
<tr>
<td>Golf Ball/Mat Replacement</td>
</tr>
<tr>
<td>Promotion &amp; Advertising</td>
</tr>
<tr>
<td>Utilities &amp; Water</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
</tr>
<tr>
<td>Insurance</td>
</tr>
<tr>
<td>Property Taxes</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
</tr>
<tr>
<td>Management Fee</td>
</tr>
<tr>
<td>SCE Right-of-Way Lease</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
</tr>
<tr>
<td><strong>Net Operating Income(^1)</strong></td>
</tr>
</tbody>
</table>

\(^1\) Before capital improvement replacement reserve.
VIII: Fiscal Impact

Both the existing golf course and the TopGolf project would generate fiscal revenue to jurisdictions providing services, including the City of El Segundo.

Revenue Sources

The principal fiscal components include the following:

Sales and Use Tax: The City receives 1 percent (out of 9.00%) of taxable retail sales, including merchandise and food and beverage purchases.

Utility Users Tax: The City imposes a 3 percent utility users tax on non-residential water, power and natural gas charges, and 2 percent on telephone charges.

Possessory Interest Property Tax: Lessees are subject to possessory interest property tax. The possessory interest in land and improvements of leasehold property is assessed the 1 percent ad valorem property tax, of which the City is allocated 6.4 percent.

Business License Fees: Entities doing business in the City of El Segundo are required to secure an annual business license fee. There is a base rate of $99.66 for the first 10 employees and 5,000 square feet of indoor covered space. In addition, employers are assessed $123.44 per employee (full time and part time) over 10, plus $0.23 per square foot of indoor covered space. Note that, under the initial proposal, a credit against the business license fee is applied, with the credit equal to 40% of the local 1% sales and use tax collected by the City. Under the revised proposal, the sales tax credit is waived.

Existing Golf Course Scenario

City Fiscal Revenue

Sales and Use Tax

- Pro Shop Sales ($175,000 @ 1 percent) $1,750
- Food & Beverage Sales ($300,000 @ 1 percent) 3,000
- Alcohol Sales ($85,000 @ 1 percent) 850
- Total Sales and Use Tax $5,600

Utility Users Tax--None

Property/Possessory Interest Tax--None

Business License Fees--$1,580, fully offset by sale and use tax credit, yielding net revenue of zero.
City Service Costs

The existing golf course receives police, fire and other City services. However, with the systems in-place there is no marginal cost associated with the existing golf course operation.

TopGolf Scenario

City Fiscal Revenue

Sales and Use Tax

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TopGolf Food &amp; Beverage Sales ($10,562,000 @ 1 percent)</td>
<td>$105,620</td>
</tr>
<tr>
<td>TopGolf Merchandise Sales ($197,000 @ 1 percent)</td>
<td>1,970</td>
</tr>
<tr>
<td>Golf Course Pro Shop Sales ($75,000 @ 1 percent)</td>
<td>750</td>
</tr>
<tr>
<td>Golf Course Snack Bar Sales ($225,000 @ 1 percent)</td>
<td>2,250</td>
</tr>
<tr>
<td>Total Sales and Use Tax</td>
<td>$110,590</td>
</tr>
</tbody>
</table>

Utility Users Tax

TopGolf ($682,000 utility costs @3%; $24,000 telephone costs @ 2%) $20,940

Golf Course--None

Property/Possessory Interest Tax

Assessed Valuation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TopGolf Improvements</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Possessory Interest Land (8% cap)</td>
<td>6,560,000</td>
</tr>
<tr>
<td>Golf Course--None</td>
<td>----</td>
</tr>
<tr>
<td>Total</td>
<td>$31,560,000</td>
</tr>
</tbody>
</table>

Possessory Interest Tax @1%--City Share 6.4% $20,200

Business License Fees

TopGolf

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 10 employees/5,000 sq. ft.</td>
<td>$99</td>
</tr>
<tr>
<td>Next 400 employees @ $123</td>
<td>49,200</td>
</tr>
<tr>
<td>Next 30,000 square feet @ $.23</td>
<td>6,900</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$56,199</td>
</tr>
<tr>
<td>Sales Tax Credit (40% credit)(^1)</td>
<td>----</td>
</tr>
<tr>
<td>Net Business License Fees</td>
<td>$56,199</td>
</tr>
</tbody>
</table>
Golf Course--None (fees offset by sales tax credit)

1/ TopGolf revised proposal waives the sales tax credit. Initial proposal includes sales tax credit, reducing the net business license fees to $11,915.

City Service Costs

The TopGolf facility and reconfigured standalone golf course also will receive police, fire and other City services. A report prepared by the City Police Department indicates that no additional resources will be required. Similarly, the fire network which is in-place is capable of providing needed services. As such, there are no marginal costs likely to be incurred as a result of the TopGolf project.

Comparative Fiscal Impact

The stable year net fiscal impact of the two scenarios are compared as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Existing Golf Course</th>
<th>TopGolf Initial Proposal</th>
<th>TopGolf Revised Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$5,600</td>
<td>$110,590</td>
<td>$110,590</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>---</td>
<td>20,940</td>
<td>20,940</td>
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<tr>
<td>Possessory Interest Tax</td>
<td>---</td>
<td>20,200</td>
<td>20,200</td>
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<tr>
<td>Business License Fees</td>
<td>---</td>
<td>11,915</td>
<td>56,199</td>
</tr>
<tr>
<td>Total</td>
<td>$5,600</td>
<td>$163,645</td>
<td>$207,929</td>
</tr>
<tr>
<td>Less: Fiscal Service Costs</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Net Fiscal Benefit</td>
<td>$5,600</td>
<td>$163,645</td>
<td>$207,929</td>
</tr>
</tbody>
</table>
IX: Comparative Economics

Based on the analysis presented in the previous sections of the report, the overall comparative economics of the two scenarios is projected.

Average Annual Impact

The analysis illustrates the differential between the annual average net operating contribution and the associated costs for each scenario. Annual benefits consist of the direct golf course level economics, CenterCal/TopGolf lease revenue, and fiscal revenue produced. Annual costs include Citywide administrative/overhead expenses, the capital cost requirements, and fiscal service costs. The annual capital costs is based on amortization of the discounted present value (at 4 percent) of the capital component over a 25-year term at a 6 percent cost of capital.

The full comparative economics of the two scenarios, expressed on an annual basis in constant 2015 dollars, is presented in Table IX-1.

Present Value Comparison

While the average annual net benefit to the City provides one measure of the comparative economics of the two scenarios, the most accurate measurement is the net present value of the 25-year stream of revenues and costs accruing to the City. Such an analysis takes into account the timing of the revenues and costs associated with each scenario.

The 25-year annual cash flow for each scenario is presented in Appendix A. Again, the golf course revenues, expenses and capital costs are subject to a 2.0 percent average annual rate of increase. Within a 2 percent inflation environment, an 8.0 percent present value discount rate is considered reasonable and appropriate in measuring the present value of the cash flow stream.

The net present value of each scenario is compared in Table IX-2. Under the existing golf course scenario, deducting the present value of the costs from the present value of the benefits yields a net present value of $2.64 million, which compares with the TopGolf scenario at $2.92 million under the initial TopGolf proposal, and $4.94 million under the revised proposal.
<table>
<thead>
<tr>
<th>Table IX-1: Stable Year Average Net Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>(thousands of constant 2015 dollars)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Existing Course</th>
<th>Initial Proposal</th>
<th>Revised Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golf Complex Direct Net Contribution</td>
<td>$476.7</td>
<td>($106.3)</td>
<td>($106.3)</td>
</tr>
<tr>
<td>TopGolf Lease Revenue</td>
<td>---</td>
<td>425.0</td>
<td>525.0</td>
</tr>
<tr>
<td>Fiscal Revenue</td>
<td>5.6</td>
<td>169.6</td>
<td>207.9</td>
</tr>
<tr>
<td><strong>Total Benefits</strong></td>
<td>$482.3</td>
<td>$482.3</td>
<td>$526.6</td>
</tr>
<tr>
<td><strong>Annual Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citywide Administrative/Overhead/Insurance</td>
<td>$160.0</td>
<td>$150.0</td>
<td>$150.0</td>
</tr>
<tr>
<td>Construction Impact</td>
<td>---</td>
<td>21.1</td>
<td>21.1</td>
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<tr>
<td>Capital Cost--Golf Course*</td>
<td>84.1</td>
<td>67.0</td>
<td>47.4</td>
</tr>
<tr>
<td>Capital Cost--Clubhouse/Maintenance Facility*</td>
<td>17.1</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Capital Cost--Driving Range*</td>
<td>13.2</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Capital Cost--Course Lighting*</td>
<td>38.7</td>
<td>38.7</td>
<td>15.6</td>
</tr>
<tr>
<td>Capital Cost--Parking Lot*</td>
<td>6.4</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Fiscal Service Costs</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$319.5</td>
<td>$276.8</td>
<td>$234.1</td>
</tr>
<tr>
<td><strong>Net Annual Cost-Benefit</strong></td>
<td>$162.8</td>
<td>$205.5</td>
<td>$392.5</td>
</tr>
</tbody>
</table>

* Represents annual reserve amount necessary to fund capital improvement requirements.
| Table IX-2: Present Value of 25-Year Net Benefits to City (000)* |
|---------------------------------|-----------------|-----------------|
|                                 | Existing Course | Initial Proposal | Revised Proposal |
| **Benefits**                   |                 |                 |                 |
| Golf Complex Net Contribution  | $6,041.7        | ($1,347.3)       | ($1,347.3)       |
| TopGolf Lease Revenue          | ---             | 5,163.4         | 6,388.8         |
| Fiscal Revenue                 | 71.0            | 2,074.0         | 2,634.9         |
| **Total Benefits**             | $6,112.7        | $5,890.1        | $7,676.4        |
| **Costs**                      |                 |                 |                 |
| Citywide Administrative/Overhead| $2,027.8        | $1,901.1        | $1,901.1        |
| Capital Cost--Construction Impact* | ---         | 250.0          | 250.0          |
| Capital Cost--Golf Course*     | 636.0           | $400.1         | $400.1         |
| Capital Cost--Clubhouse/Maintenance Facility | 180.3          | ---            | ---            |
| Capital Cost--Driving Range*   | 114.1           | ---            | ---            |
| Capital Cost--Course Lighting* | 458.3           | 416.7          | 185.2          |
| Capital Cost--Parking Lot*     | 56.5            | ---            | ---            |
| Fiscal Service Costs           | ---             | ---            | ---            |
| **Total Costs**                | $3,473.0        | $2,967.9        | $2,736.4        |
| **Net Cost-Benefit**           | $2,639.7        | $2,922.2        | $4,940.0        |

* Present value of 25-year stream.
X. Valuation of Project Components

This section estimates the value of the project components as follows:

- Total integrated Golf Course and Practice Range
- Standalone Practice Range & Related Activity
- Standalone Golf Course/Clubhouse

The market value of the components is estimated as a fee simple interest—that is, the value the entity would command on the open market rather than from the City perspective. As an enterprise fund, where the objective is to breakeven, the entity has no economic value.

The value of these components is estimated based on the income approach to value. The cost or market approaches are not considered in this valuation analysis. Direct capitalization of the stable year net operating income is the basic methodology employed in the valuation analysis.

**Net Operating Income**

The value of the asset is estimated by capitalizing annual net operating income at an appropriate direct capitalization rate. Net operating income is defined as earnings before interest, taxes, depreciation and amortization (EBITDA). Net operating income is equal to gross revenue less direct operating expenses, management fees, and the Southern California Edison lease payment.

Based on estimates presented in Section VII (Direct Economics) of the report, Table X-1 presents stable year net operating income for the existing golf course, standalone golf course and standalone driving range. Note that the cost of the services currently provided by the City (administration and overhead) are incorporated in the general and administrative expenses of the component being valued. That is, adjustments to general and administrative expenses are applied to reflect the self-contained operation of the component.

In analyzing the economics of The Lakes golf course, the sum of the net operating income of each principal component (golf course/clubhouse and practice range) is less than that of the combined operation as a single entity. Specifically, as standalone facilities, each entity would require its own administrative and operating overhead, while under a combined operation, these duties would be shared. For example, as standalone operations, each would require operations personnel and management, whereas under a single operation, this redundancy would be eliminated.
Table X-1: The Lakes Projected Net Operating Income ($000)¹

<table>
<thead>
<tr>
<th>Gross Revenue</th>
<th>Existing Course</th>
<th>Standalone Course</th>
<th>Standalone Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greens Fees</td>
<td>$760.0</td>
<td>$760.0</td>
<td>---</td>
</tr>
<tr>
<td>Range Revenue</td>
<td>754.0</td>
<td>---</td>
<td>$754.0</td>
</tr>
<tr>
<td>Pro Shop Sales</td>
<td>175.0</td>
<td>75.0</td>
<td>---</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>300.0</td>
<td>175.0</td>
<td>---</td>
</tr>
<tr>
<td>Alcoholic Beverage-Lease Payment</td>
<td>8.5</td>
<td>5.0</td>
<td>---</td>
</tr>
<tr>
<td>Lessons/Camps</td>
<td>225.0</td>
<td>80.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Other/Miscellaneous</td>
<td>5.0</td>
<td>5.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Total</td>
<td>$2,227.5</td>
<td>$1,100.0</td>
<td>$839.0</td>
</tr>
</tbody>
</table>

Less: Cost of Sales

<table>
<thead>
<tr>
<th></th>
<th>Existing Course</th>
<th>Standalone Course</th>
<th>Standalone Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Shop Sales</td>
<td>$113.8</td>
<td>$48.8</td>
<td>---</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>141.0</td>
<td>70.0</td>
<td>---</td>
</tr>
<tr>
<td>Total</td>
<td>$254.8</td>
<td>$118.8</td>
<td>---</td>
</tr>
</tbody>
</table>

Gross Profit

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$1,972.7</td>
<td>$981.2</td>
<td>$839.0</td>
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Operating Expenses

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<td>$485.0</td>
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<td>Golf Operations/Range</td>
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<td>Food &amp; Beverage</td>
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<td>Clubhouse Undistributed</td>
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<tr>
<td>General &amp; Administrative</td>
<td>459.0²</td>
<td>392.0²</td>
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<td>Total</td>
<td>$1,546.0</td>
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<td>$445.0</td>
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Net Operating Income

<p>| | | | |</p>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Net Operating Income</td>
<td>$426.7</td>
<td>($146.3)</td>
<td>$394.0</td>
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</table>

¹ Projections reflect implementation of revenue enhancement measures.

² Includes $50,000 to account for current City administrative services/overhead.
Capitalization Rate

The income approach to value generally is regarded as the most reliable in valuing public and semiprivate golf course properties. The value of golf courses which are operating efficiently and at stabilized play levels typically is determined by capitalizing current annual net operating income at an appropriate rate. Applying a direct capitalization rate yields the value of the property.

It is very difficult to establish market-based capitalization rates for golf properties for a variety of reasons. One of the most significant factors is that very few golf courses are sold at a point of stabilized operation. The actual capitalization rates observed on most golf course transactions, therefore, generally are very low, typically in the 4 to 6 percent range. In many cases, the capitalization rate is lower, and many courses are selling for significant amounts when operating at little more than a breakeven level. Capitalization rates for California golf properties tend to be lower than observed in other markets nationally. This difference is attributed to several factors including longer playing seasons (climate), population/market growth, inexpensive maintenance labor, high barriers to entry, and higher construction costs.

While actual capitalization rates observed based on trailing 12-month EBITDA are in the 4 to 6 percent range, pro forma capitalization rates, based on buyer revenue/expense "expectations," buyers in the market are seeking returns based on capitalization rates in the 8-10 percent range, although the capitalization rate at the time of the transaction often is well below this target return. The buyers believe, however, that through both improvements in revenues and reductions in expenses, capitalization rates in the 8-10 percent range will be achieved within a short period of time. At stabilization, we believe a 8 percent direct capitalization rate is reasonable for The Lakes at El Segundo.

Asset Value

Table X-2 presents the as-is valuation of The Lakes at El Segundo, as well as each of its two principal components. As indicated, the direct capitalization rate is applied to "adjusted" net operating income. The adjustment accounts for a capital improvement replacement reserve, reflecting the future anticipated needs of the golf course (including night lighting).

As shown, the value of the existing golf complex is estimated at $3.71 million. There is no value assigned to the golf course as a standalone facility, and the value of the standalone practice range is indicated at $4.55 million. That is, virtually all of the value of the combined complex is attributable to the golf practice range.
<table>
<thead>
<tr>
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<th>Existing Course</th>
<th>Standalone Course</th>
<th>Standalone Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Income</td>
<td>$425,700</td>
<td>($146,300)</td>
<td>$394,000</td>
</tr>
<tr>
<td>Less: Allowance for Capital Improvement Reserve</td>
<td>130,000</td>
<td>100,000</td>
<td>20,000</td>
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<tr>
<td>Adjusted Net Operating Income</td>
<td>$295,700</td>
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<td>Direct Capitalization Rate</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
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<td>Capitalized Value</td>
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<td>$4,550,000</td>
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XI. Other Issues

The following presents a discussion of other issues which may be considered, but have not been quantified, in the comparative analysis.

Risk of Default

As with any ground lease, there is always the possibility of a default. According to City representatives, the ground lease payment would not be subordinated, and thus the City would be in a first position regarding encumbrances on the property. That is, the City would be entitled to their ground lease payment before debt service, if any, on the facility.

A review of projections by TopGolf indicate a lease payment coverage ratio (annual net operating income to ground lease payment) of nearly 10:1. This suggests that the risk of default on the ground lease payment is relatively low.

Golf Course Design

Several conceptual golf course routing plans have been formulated relative to the reconfigured golf course. These plans have been developed without the input of a qualified golf course architect. This analysis assumes that the reconfigured golf course has at least equal length to the existing golf course, without any safety concerns. It will be necessary for a golf course architect to prepare the routing plan for the reconfigured golf course.

Economic Impact

As noted, annual spending at the TopGolf facility in El Segundo is projected at approximately $20 million. This initial round of spending creates over 400 jobs (275-300 full time equivalent), and over $8 million in annual payroll. Subsequent rounds of re-spending the initial impact dollars will create additional spending, payroll and employment (the multiplier effect). The Department of Commerce, Bureau of Economic Analysis produces regional multipliers for major industry classifications. The overall gross multiplier for both recreational activities and food and beverage establishments is in the range of 2.0 for Los Angeles County. Applying this multiplier suggests the gross regional output associated with the TopGolf facility will be in the range of $40 million annually, and account for nearly 600 jobs (FTE) and over $15 million in annual payroll.

Again, this annual impact relates to the region, with the City of El Segundo capturing a portion of this impact. Based on the City's residential population and economic base, El Segundo would likely capture a relatively small portion of the overall impact, although even a small percentage potentially translates into a significant level of local impact. In addition to the ongoing annual impact, there will be one-time construction impact with the City of El Segundo again capturing a relatively small portion.

TopGolf has been well received in the market, with annual attendance estimated at approximately 500,000 patrons at other metropolitan locations similar to El Segundo. The TopGolf concept has received significant
media coverage both inside and outside the golf industry. The profile of the facility also has been raised through the many corporate outings and events hosted.

In addition to the impacts related to the "multiplier effect" of initial spending at the TopGolf facility, TopGolf may play a part in stimulating interest in El Segundo as a business location. Clearly, there are numerous factors which are evaluated in a major employer's site selection including area image, the residential location of officers and employees, regional and local access, surrounding land uses, airport proximity, climate, occupancy cost, local suppliers and services, and the like. It would appear that development of a TopGolf would help in establishing the identity and image of the City of El Segundo, and represent a community amenity which enhances the attractiveness of the City.

It is not possible to isolate the specific impact on business attraction stemming from locating a TopGolf facility in El Segundo, and thus quantifying the impact would be extremely speculative, and clearly the impact would vary by type of business.

**Transient Occupancy Tax**

The experience at some TopGolf locations—primarily those where there are heavy concentrations of regional and national headquarters companies—is that some of the attendees at corporate events are from out-of-town, and thus patronize local lodging establishments. Events account for about 20-25 percent of TopGolf total business activity, with corporate events representing about 25-50 percent of events. With annual attendance of about 500,000, corporate attendance at a TopGolf is in the range of 45,000 attendees. If 2-3 percent of attendees are from out of the area, in the range of 1,000-1,200 room nights would be generated, producing about $15,000 annually in transient tax revenue, much of which would accrue to the City of El Segundo.

**Capital Improvement Replacement Reserve**

As with all entertainment oriented facilities, there are periodic requirements for replacing and updating capital components of the project. TopGolf's pro forma projections include a capital replacement reserve equal to $400,000 per year. This annual amount represents about 2 percent of annual gross revenue, consistent with industry standards for projects of this scale.

While TopGolf has provided an allowance for a capital improvement reserve, it may be in the City's best interest to mandate funding the reserve annually at a rate of 2 percent of gross revenue. The proceeds would be placed in a fund, and withdrawn for TopGolf project components at the mutual agreement of both TopGolf and the City of El Segundo. This would ensure that capital improvements are completed on a timely basis.
Guaranteed Fiscal Revenue

Based on TopGolf pro forma projections, fiscal revenue accruing to the City is projected at about $165,000 per year. As this fiscal revenue is directly correlated with TopGolf’s performance, it may be appropriate to establish a guaranteed total fiscal revenue amount, with TopGolf funding any shortfall between the budgeted and actual fiscal revenue generated.

Upside Participation

The agreement between CenterCal/TopGolf and the City of El Segundo calls for CenterCal to pay $525,000 in Year 1 fixed ground rent, with escalations scheduled over the full lease term. Clearly, the TopGolf concept is unique, and there is limited long term performance history with the facility. Because of the degree of uncertainty in TopGolf performance at The Lakes location, it may be appropriate to structure the ground lease agreement with some City upside participation. One such structure would be to establish an annual gross revenue threshold, with the City sharing in annual gross revenue which exceeds the threshold. For example, the City might receive 3 to 5 percent of gross revenue which exceeds the budgeted amount.

TopGolf Reversionary Value

The TopGolf lease, assuming all of the six 5-year options are exercised, extends for a total of 50 years. At the conclusion of the 50-year term, the improvements on the property revert to the City. At that point, the rent for the facility would be based on land and improvements rather than land value alone. Although the present value of this potential asset is 50 years in the future, the value is nonetheless substantial.
## Appendix A

### Table A-1: Existing Golf Course--Summary of Net Present Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Course NOI</th>
<th>Fiscal</th>
<th>Citywide OH</th>
<th>Cap Ex</th>
<th>Net Cash Flow</th>
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</thead>
<tbody>
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<td>5,600</td>
<td>-160,000</td>
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<td>NPV @ 8%</td>
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## Appendix

### Table A-2: TopGolf Scenario Initial Proposal—Summary of Net Present Value

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<th>Year</th>
<th>TopGolf</th>
<th>Fiscal Benefits</th>
<th>Course NOI</th>
<th>Citywide OH</th>
<th>Construction</th>
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<th>Net CashFlow</th>
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<tr>
<td><strong>NPV @ 8%</strong></td>
<td><strong>$5,163,360</strong></td>
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<td>TopGolf</td>
<td>Fiscal Benefits</td>
<td>Course NOI</td>
<td>Citywide OH</td>
<td>Construction</td>
<td>Cap Ex</td>
<td>Net CashFlow</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
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| Annual Costs                             |                 |                  |                  |                  |
| Citywide Administrative/Overhead/Insurance| $160.0          | $150.0           | $150.0           | $150.0           |
| Construction Impact                      | ---             | 21.1             | 21.1             | 21.1             |
| Capital Cost*                            | 159.5           | 105.7            | 63.0             | 49.0             |
| Fiscal Service Costs                     | ---             | ---              | ---              | ---              |
| **Total Costs**                          | **$319.5**      | **$276.8**       | **$234.1**       | **$220.1**       |

| Net Annual Cost-Benefit                  | **$162.8**      | **$205.5**       | **$392.5**       | **$604.5**       |

* Represents annual reserve amount necessary to fund capital improvement requirements.
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<th>Benefits</th>
<th>Existing Course</th>
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<th>Revised Proposal</th>
<th>Current Proposal</th>
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* Present value of 25-year stream.