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.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, APRIL 5, 2011 – 5:00 P.M.

Next Resolution # 4716  
Next Ordinance # 1459

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(a) -2- matters

1. City of El Segundo vs. City of Los Angeles, et. al. LASC Case No. BS094279
2. Dave Sharp vs. City of El Segundo WCAB No. LBO0368014, LBO0365756

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -2-
Initiation of litigation pursuant to Government Code §54956.9(c): -0- matter.

DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): - 0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957) -0- matter

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -0- matters

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters
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.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, APRIL 5, 2011 - 7:00 P.M.

Next Resolution # 4716
Next Ordinance # 1459

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Bishop Jim Hepworth, Church of Jesus Christ of Latter Day Saints

PLEDGE OF ALLEGIANCE – Mayor Pro Tem Bill Fisher
PRESENTATIONS

a. Recognition of the Bettye Poland the 2011 Outstanding School Crossing Guard of the Year
b. Proclamation announcing April as "Sexual Assault Awareness Month" and designate April 27, 2011 as "Denim Day".

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.

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)

1. Consideration and possible action to re-open a continued public hearing and receive testimony regarding: 1) an Environmental Assessment (EA No. 911), and 2) a Development Agreement Amendment (DA No. 11-01 (First Amendment to Development Agreement No. 00-02)) to allow an 88,847 square-foot office building at 888-898 North Sepulveda Boulevard. Applicant: Realty Associates Advisors, LLC. (Fiscal Impact: $150,000-$228,000 Contribution to improvements of Sepulveda Boulevard and to other public benefits).

Recommendation – (1) Re-Open Continued Public Hearing; (2) Discussion; (3) Introduce and waive first reading of an Ordinance approving Environmental Assessment EA 911 and adopting Development Agreement No. 11-01 (First Amendment to Development Agreement No. 00-02); (4) Schedule second reading and adoption of the Ordinance on April 19, 2011; (5) Alternatively, discuss and take other possible action related to this item.
2. Consideration and possible action to re-open a continued public hearing and receive testimony regarding: 1) an Environmental Assessment for a Categorical Exemption; and 2) a Zone Text Amendment amending the El Segundo Municipal Code ("ESMC") as it relates to nonconforming buildings and structures and to allow administrative adjustments for nonconforming buildings for incidental life safety repairs or upgrades and reasonable access accommodations for persons with disabilities. Applicant: City Initiated (Fiscal Impact: None)
Recommendation – (1) Re-open Continued Public Hearing; (2) Discussion; (3) Introduce and waive first reading of an Ordinance for Environmental Assessment No. EA 862 and Zone Text Amendment No. 10-02; (4) Schedule second reading and adoption of Ordinance on April 19, 2011; (5) Alternatively, discuss and take other possible related action to this item.

C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

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.

3. Warrant Numbers 2581454 to 2581724 on Register No. 12 in the total amount of $1,748,362.91 and Wire Transfers from 3/05/11 through 3/24/11 in the total amount of $2,776,920.43.
Recommendation – Approve Warrant Demand Registers 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.

Recommendation – Approval.
5. Consideration and possible action regarding obtaining a special permit from the City Council to approve Farchitecture BB, LLC doing business as Coolhaus, to peddle ice cream while driving an ice cream truck in the City. (Fiscal Impact: None)
Recommenadation – (1) Authorize approval of the permit and issue a business license; (2) Alternatively, discuss and take other action related to this item.

6. Consideration and possible action regarding approval of an agreement with Bartel Associates, LLC for actuarial services to determine future medical costs of active and retired employees. (Fiscal Impact: $29,500)
Recommenadation – (1) Authorize the City Manager to execute an agreement with Bartel Associates, LLC, as approved to form by the City Attorney, for actuarial services not to exceed $29,500; (2) Alternatively, discuss and take other action related to this item.

7. Consideration and possible action regarding adoption of Plans and Specifications for miscellaneous facility repairs. Project No. PW 11-04, PW 11-06 and PW 11-07 (Fiscal Impact: estimated $101,000.00)
Recommenadation – (1) Adopt the attached Plans and Specifications for miscellaneous room and facility repairs; (2) Authorize staff to advertise the projects for receipt of construction bids; (3) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action regarding acceptance of the project for the Recreation Park Phase III Field Lighting Project. Project No.: PW10-07 (Fiscal Impact: $223,774)
Recommenadation – (1) Approve change order No. 1 for $8,380; (2) Approve change order No. 2 for $11,584; (3) Accept the work as complete; (4) Authorized the City Clerk to file a Notice of Completion in the County Recorder's Office; (5) Alternatively, discuss and take other action related to this item.

CALL ITEMS FROM CONSENT AGENDA
F. NEW BUSINESS

9. Consideration and possible action to adopt policy changes to the City's Residential Sound Insulation (RSI) Program. (Fiscal Impact: savings will allow for treatment of additional homes)

Recommendations – (1) Authorize proposed changes to the prioritization of homes eligible for funding; (2) Establish an annual "cut-off date" of December 31st for homes to be included in the City's grant applications to LAWA; (3) Authorize air conditioning to be eliminated from eligible RSI Improvement and "Owner Upgrade"; (4) Authorize Building Safety staff to revise the area for which higher standards are required for residential construction; (5) Alternatively discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fuentes –

Council Member Brann –

Council Member Jacobson –

Mayor Pro Tem Fisher –

Mayor Busch –
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.

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: March 30, 2011
DATE: 10:40 a.m.
TIME:  S.M. Jg
PRESENTATIONS

a. Recognition of the Bettye Poland the 2011 Outstanding School Crossing Guard of the Year
Proclamation

City of El Segundo, California

WHEREAS, the United States Government has declared April as “Sexual Assault Awareness Month” and Peace Over Violence has declared April 27, 2011 as “Denim Day” in Los Angeles County; and

WHEREAS, both events are intended to draw attention to the fact that rape and sexual assault remains a serious issue in our society; and

WHEREAS, harmful attitudes about rape and sexual assault allow these crimes to persist and allow victim/survivors to be re-victimized; and

WHEREAS, “Sexual Assault Awareness Month” and “Denim Day” were also instituted to call attention to misconceptions and misinformation about rape and sexual assault, and the problem that many in society remain disturbingly uninformed with respect to issues of assault and forcible rape; and

WHEREAS, every two minutes, someone in America is sexually assaulted, approximately 1-in-6 women are raped during their lifetime and youths under 18 account for about 44% of all reported; and

WHEREAS, with proper education on the matter, there is compelling evidence that we can be successful in reducing incidents of this alarming and psychologically damaging crime; and

WHEREAS, the members of the City Council strongly support the efforts of Peace Over Violence to educate persons in our community about the true impact of rape and sexual assault in Southern California.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, hereby proclaim the month of April 2011, as “SEXUAL ASSAULT AWARENESS MONTH,” and designates April 27, 2011 as “DENIM DAY” and urges everyone to wear jeans on April 27, 2011 to help communicate the message that there is “no excuse and never an invitation to rape.”

MAYOR

Mayor Eric B. Busch

Council Member Bill Fisher

Council Member Don Brann

Council Member Carl Jacobsen

Council Member Susanne Fuentes
AGENDA DESCRIPTION:
Consideration and possible action to re-open a continued public hearing and receive testimony regarding: 1) an Environmental Assessment (EA No. 911), and 2) a Development Agreement Amendment (DA No. 11-01 (First Amendment to Development Agreement No. 00-02)) to allow an 88,847 square-foot office building at 888-898 North Sepulveda Boulevard. Applicant: Realty Associates Advisors, LLC. (Fiscal Impact: $150,000-$228,000 Contribution to improvements of Sepulveda Boulevard and to other public benefits).

RECOMMENDED COUNCIL ACTION:
1. Re-Open Continued Public Hearing;
2. Discussion;
3. Introduce and waive first reading of an Ordinance approving Environmental Assessment EA 911 and adopting Development Agreement No. 11-01 (First Amendment to Development Agreement No. 00-02);
4. Schedule second reading and adoption of the Ordinance on April 19, 2011; and/or
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft Ordinance and Exhibits
2. Draft First Amendment to Development Agreement No. 00-02
3. Draft First Amendment to Development Agreement No. 00-02 (strike-out/underline version)
4. Planning Commission Staff Report Dated February 24, 2011 and Attachments

FISCAL IMPACT: None
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
REVIEWED BY: Greg Carpenter, Planning and Building Safety Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

1. **Background**

   The subject site (888-898 North Sepulveda Boulevard) is approximately 2.55 acres and generally located at the southeast corner of Sepulveda Boulevard and Walnut Avenue within the Corporate Office (CO) Zone. The subject site is currently developed with an 840-space parking structure (892 North Sepulveda Boulevard), which provides the
required parking for an office building on the adjacent lot at 898 North Sepulveda Boulevard. The parking structure also provides parking spaces for an interim airport parking use ("Park and Ride" business), which was permitted by the original Development Agreement and an Administrative Use Permit.

In 2001, the City entered into a ten-year Development Agreement (DA 00-02) to allow construction of a new office building at 888 North Sepulveda Boulevard on the same lot as the parking structure. The agreement provided for a financial contribution to the City and allowed the "Park and Ride" business to remain until construction of the new office building was completed. The main provisions of the original development agreement are:

A. The Development Project description. The project would involve construction of a six-story office building consisting of a maximum of 120,610 square-feet with a Floor Area Ratio ("FAR") of 1.086. Parking for the office building would be provided in the existing parking structure, with an additional 17 surface parking spaces.

B. Exceptions to Development Standards.
   i. The existing "Park and Ride" business approved on an interim basis (EA No. 356, and AUP No. 94-6) would be discontinued after construction of the office building and issuance of a Certificate of Occupancy for the first tenant improvement.
   ii. The project would be allowed to provide only two loading spaces measuring 13 feet by 30 feet, instead of the required three spaces measuring 13 feet by 50 feet.

C. Benefits to the City. The Developer agreed to contribute to the City the sum of $150,000 for the cost of landscaping, median, visual, and other improvements to Sepulveda Boulevard in the vicinity of the Site.

The full text of the existing development agreement is provided in Exhibit 4 as an attachment to the Planning Commission staff report.

The property owner has been unable to complete the development project agreed to in the original development agreement due to changes in the market demand for office space and the overall economic conditions in the last few years. The property was recently sold to the applicant, Realty Associates Advisors, LLC. The applicant is requesting the proposed amendments to allow more time to pursue development of the property. The proposed amendments will ensure that development of the site will be consistent with the City's current development standards and the City will gain a larger financial benefit. As an alternative to the proposed office building, the property owner has expressed interest in seeking approval of a hotel development on this site, including a permanent airport-parking component. This concept was the subject of City Council discussion on February 17, 2009. At the time, the Council directed the property owner to submit a full application for an Environmental Assessment, a Development Agreement Amendment, and a Conditional Use Permit for a hotel development.

The existing development agreement will expire on April 19, 2011. For this reason, the applicant has requested an amendment to the development agreement to extend its
duration by five years and to modify certain of its provisions. The proposed amendment would:

A. Extend the duration of the agreement by five years until March 20, 2016;
B. Limit the size of the office building to 88,847 square feet (net floor area) and the FAR to 0.8, which is the current limit in the CO Zone.
C. Increase the potential height of the office building to 10 stories or less, but less than the maximum height limit of 200 feet which is consistent with the current CO Zone.
D. Modify the truck loading requirements to be consistent with current El Segundo Municipal Code standards.
E. Retain the public benefit contribution to the City of the sum of $150,000 for the cost of landscaping, median, visual and other improvements to Sepulveda Boulevard.
F. Increase the public benefit contribution to the City by adding yearly payments of $12,000 for the first two years and $18,000 for the next three years, commencing on the effective date of the proposed Development Agreement Amendment and paid annually thereafter unless a building is constructed or the Development Agreement is further modified in the future.
G. Allow the interim airport parking use ("Park and Ride") business to continue on an interim basis until completion of construction and issuance of a Certificate of Occupancy for the proposed office building.
H. Prohibit the developer and/or parking operator from charging individual employees to park on the property.
I. Allow the developer and/or parking operator to continue charging employers on the property for parking passes for their employees.

The specific language of the development agreement is attached (Exhibits 2 and 3).

II. Analysis

General Plan and Zoning Consistency

The El Segundo General Plan land use designation for the subject site is currently Corporate Office and the Zoning designation is Corporate Office (CO). The proposed amendment is consistent with both designations in that the proposed use is permitted in the CO Zone and the office building would be developed in accordance with the CO Zone development standards. Furthermore, the proposed amendment and office development are consistent with the General Plan Land Use and Economic Development Goals regarding the City's employment and tax base. These goals are discussed in more detail in Planning Commission Resolution No. 2688 (Exhibit 4).

Environmental Review

The City previously adopted a Mitigated Negative Declaration for the proposed project pursuant to the requirements of the California Environmental Quality Act ("CEQA"), California Public Resources Code §§ 21000, et seq. In accordance with CEQA Guidelines § 15162(a), a new environmental document is not required for the proposed extension of the term of the Development Agreement since the proposed project does not involve substantial changes that will require major revisions to the previous Mitigated
Negative Declaration, and will not result in a significant impact to the environment or require new mitigation measures.

The proposed amendment is consistent with the certified Mitigated Negative Declaration (Exhibit 4) in that the proposed development will remain the same as in the original development agreement. The Mitigated Negative Declaration proposed mitigation in the areas of Air Quality, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Public Services, and Utilities and Service Systems, which would reduce the impacts to less than significant. None of the elements set forth in Public Resources Code § 21166 or CEQA Guidelines § 15162 exist since the proposed changes would not result in a new significant impact to the environment or require new mitigation measures. Accordingly, no subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the draft Ordinance approving the proposed amendment.

Planning Commission Action

At its February 24, 2011 meeting, the Planning Commission reviewed the matter, considered the public testimony, and recommended to the City Council approval of Environmental Assessment No. EA-911 and Development Agreement No. 11-01. The applicant indicated agreement with Staff’s report and that he was available to respond to questions from the Commission. No other members of the public spoke at the Planning Commission meeting or submitted any written correspondence regarding this matter.

City Council Action

At its March 15, 2011 meeting, the City Council reviewed the matter and considered the report presented by staff. Councilmember Fuentes voiced a concern regarding employees and clients of businesses in the area parking on residential streets west of Sepulveda Boulevard. As a result, the City Council directed staff to do further research regarding the parking arrangements for the proposed office building and to modify the development agreement to prohibit the developer and/or parking operator from charging employees to park on the property.

The applicant has explained that the current arrangement is that the employers in the office building provide monthly passes to their employees to park in the structure. The applicant does not believe that employees of their property are parking in the residential area based on the distances involved and the number of monthly permits being issued. The applicant does not wish to add language to the development agreement that would prevent them from charging for parking as they are concerned that this differs from how other office buildings manage their parking.

Staff anticipates that the applicant will be requesting a future development agreement to allow a hotel to be constructed on the property. The review conducted at that time can include an analysis of any parking impacts being created by employees of this property and incorporate appropriate mitigation into the approval.
III. **Recommendation**

Planning Division Staff recommends that the City Council introduce and waive first reading of the attached draft Ordinance to approve Development Agreement No. 11-01 (First Amendment to Development Agreement No. 00-02). Second reading and adoption of the Ordinance would occur on April 19, 2011.
ORDINANCE NO. ___

AN ORDINANCE AMENDING DEVELOPMENT AGREEMENT NO. 00-02 BETWEEN REALTY ASSOCIATES ADVISORS, LLC, AND THE CITY OF EL SEGUNDO AFFECTING A PROPERTY LOCATED AT 888-898 NORTH SEPULVEDA BOULEVARD.

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

SECTION 1: The City Council finds and declares that:

A. On March 20, 2001, the City Council of the City of El Segundo approved Environmental Assessment No. 535, Development Agreement No. 00-02, and General Plan Amendment to allow the development of an office building at 888 North Sepulveda Boulevard;

B. On February 8, 2011, the applicant, filed an application for an amendment ("First Amendment") to Development Agreement No. 00-02;

C. The application from Realty Associates Advisors, LLC was reviewed by the City's Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code ("ESMC");

D. In addition, the City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the "CEQA Guidelines"), and the City’s Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

E. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the application before the Planning Commission for February 24, 2011;

F. The Planning Commission held a public hearing regarding the application on February 24, 2011. Thereafter the Planning Commission adopted Resolution No 2688 recommending that the City Council amend Development Agreement No. 00-02; and

G. On April 5, 2011, the Council held a public hearing and considered the information provided by the Planning Commission, City Staff, public testimony, and representatives of the applicant Realty Associates Advisors, LLC; and

H. This Ordinance and its findings are made based upon the testimony and evidence presented to the Council at its April 5, 2011, public hearing.
including, without limitation, the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Environmental Assessment. The City Council previously certified a Mitigated Negative Declaration for the proposed project pursuant to the requirements of CEQA. In accordance with CEQA Guidelines § 15162(a), a new environmental document is not required for the proposed extension of the term of the Development Agreement since the proposed project does not involve substantial changes that will require major revisions to the previous Mitigated Negative Declaration, and will not result in a significant impact to the environment or require new mitigation measures.

SECTION 3: Amendments to the Development Agreement. Development Agreement No. 00-02 is amended in its entirety as set forth in attached Exhibit "A," which is incorporated into this Ordinance by reference.

SECTION 4: 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 5: This Ordinance will remain effective until superseded by a subsequent ordinance.

SECTION 6: 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 7: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED, APPROVED AND ADOPTED this _____ day of April 2011.

______________________________
Eric Busch, Mayor

ATTEST:

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

I, Cindy Mortesen, 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 March 2011, 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 April 2011, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Cindy Mortesen, City Clerk

APPROVED AS TO FORM:

______________________________
Mark D. Hensley, City Attorney
EXEMPT FROM RECORDER'S FEES
Pursuant to Government
Code §§ 6103, 27383
Recording Requested By
and When Recorded Return to:

CITY CLERK
CITY OF EL SEGUNDO
350 MAIN STREET
EL SEGUNDO, CA 90245

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF EL SEGUNDO
AND
REALTY ADVISORS ASSOCIATES, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS
OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO THE
REQUIREMENTS OF GOVERNMENT CODE §65868.5
DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made this 20TH day of March 2011, by and between the CITY OF EL SEGUNDO, a City in the State of California ("City"), and REALTY ADVISORS ASSOCIATES, LLC, a Delaware limited liability company (the "Developer"). In consideration of the mutual covenants and agreements contained in this Agreement, the City and Developer agree as follows:

1. Recitals. This Agreement is made with respect to the following facts and for the following purposes, each of which are acknowledged as true and correct by the parties:

   A. The City is authorized pursuant to Government Code §§ 65864 through 65869.5 to enter into binding agreements with persons or entities having legal or equitable interests in real property for the development of such property in order to establish certainty in the development process.

   B. The Developer is the owner of certain real property, located at the southeast corner of Sepulveda Boulevard and Walnut Avenue (the "Site"), commonly known as 888 N. Sepulveda Boulevard, 892 N. Sepulveda Boulevard, and 898 N. Sepulveda Boulevard (collectively, the "Site"). Currently, 898 N Sepulveda Boulevard is improved with an eight (8) -story, eighty -five thousand (85,000) square foot office building, which Developer recently caused to be remodeled and retrofitted. 898 N Sepulveda Boulevard is hereinafter referred to as "Parcel 1" and is legally described on Exhibit "A-1" attached hereto. Currently, 888 N. Sepulveda Boulevard is vacant. The property was formerly improved with a twelve (12) -story, one hundred forty thousand (140,000) square foot office building, which had been vacant for approximately ten (10) years, that contained asbestos and required extensive retrofitting. The building was demolished in 2002. Located on 892 N. Sepulveda Boulevard is a six (6) -story parking structure, providing required parking for the buildings located on Parcel 1 and Parcel 2, and for a separate airport parking business operated by a Developer known as "Airport 105 Parking." 888 N. Sepulveda Boulevard and 892 N. Sepulveda are collectively referred to and herein as "Parcel 2", and are legally described on Exhibit "A-2" attached hereto.

   C. The Parties desire to enter into this Agreement in conformance with the Government Code and the El Segundo Municipal Code in order to achieve the development of the Site as expressly provided under the terms of this Agreement.

   D. The Developer proposes to construct an office building ten (10) stories or less, but not to exceed 200 feet in height, consisting of a maximum of eighty eight thousand eight hundred and forty seven (88,847) square feet with a Floor Area Ratio ("FAR ") of 0.8. Parking for the new office building would be provided by the existing parking structure located on Parcel 2, with an additional seventeen (17) surface parking stalls (the "Development Project.") The Development Project is
hereinafter sometimes referred to as the "Project." All parking required for Parcel 1 must be provided on Parcel 2.

E. The City desires to obtain the binding agreement of the Developer for the development of the Site in accordance with the provisions of this Agreement.

F. The Developer desires to obtain the binding agreement of the City to permit the Developer to develop the Project in accordance with the "Applicable Rules" (as hereinafter defined), as modified by this Agreement. In consideration thereof, Developer agrees to waive its rights to legally challenge the limitations and restrictions imposed upon the development of the Property pursuant to the Project approvals and this Agreement and to provide the public benefits and improvements specified in this Agreement.

G. Developer has applied to the City in accordance with applicable procedures for approval of this mutually binding Agreement. The Planning Commission and City Council of the City have given notice of intention to consider this Agreement and, have conducted public hearings thereon pursuant to the Government Code.

H. This Agreement is consistent with the present public health, safety, and welfare needs of the residents of the City of El Segundo and the surrounding region. The City has specifically considered and approved the impact and benefits of this Project upon the welfare of the region.

I. This Agreement will bind the City to the terms and obligations specified in this Agreement and will limit, to the degree specified in this Agreement and under State law, the future exercise of the City's ability to delay, postpone, preclude or regulate development of the Project on the Site except as provided for herein.

J. This Agreement eliminates uncertainty in planning and provides for the orderly development of the Project, and generally serves the public interest within the City of El Segundo and the surrounding region.

K. The City is entering into this Agreement in part because it anticipates that the Project, once completed, will replace vacant property with an attractive structure acting as a gateway and landmark for the northern portion of the City.

2. Definitions. In this Agreement, unless the context otherwise requires:

(a) "Applicable Rules" means: (i) statutes, ordinances, the rules, regulations, and official policies of the City in force as of the "Effective Date" (as hereinafter defined) governing zoning, development, density, permitted uses, growth management, environmental consideration, and design criteria applicable to the Project as modified by Section 6(f) of this Agreement; and (ii) the mitigation measures adopted
by the City and the conditions imposed by this Agreement and the Project's Discretionary Approvals.

(b) "Discretionary Actions; Discretionary Approvals" are actions which require the exercise of judgment or a decision, and which contemplate and authorize the imposition of revisions or conditions, by the City, including any board, commission, or department of the City and any officer or employee of the City, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires the City, including any board, commission, or department of the City and any officer or employee of the City, to determine whether there has been compliance with applicable statutes, ordinances, regulations, or conditions of approval.

(c) "Effective Date" means the date the applications for Discretionary Approvals were approved by City Council.

(d) "Subsequent Applicable Rules" means the rules, regulations, and official policies of the City, as they may be adopted, operative after the Effective Date of this Agreement which, other than as provided for in this Agreement, would govern the zoning, development, density, permitted uses, growth management, environmental considerations, and design criteria applicable to the Project and Site. The parties intend the development of the Project and the Site to be subject to Subsequent Applicable Rules only to the extent specified in paragraph (a) of Section 8 of this Agreement.

(e) "Zoning Ordinance" means the zoning regulations set forth in the El Segundo Municipal Code, as it exists on the Effective Date.

3. Interest of Developer. The Developer represents to the City that, as of the Effective Date, it owns the Site in fee, subject to encumbrances, easements, covenants, conditions, restrictions, and other matters of record.

4. Binding Effect. This Agreement, and all of the terms and conditions of this Agreement, runs with the land comprising the Site and is binding upon and inures to the benefit of the parties and their respective assigns, heirs, or other successors in interest.

5. Negation of Agency. The Parties acknowledge that, in entering into and performing under this Agreement, each is acting as an independent entity and not as an agent of the other in any respect. Nothing contained herein or in any document executed in connection herewith may be construed as making the City and Developer joint venturers, partners or employer/employee.

6. Development of the Property. The following specific restrictions govern the use and development of the Project as described herein and in Exhibit "B." and without the need for any additional Discretionary Actions:
(a) **Permitted Uses of the Property.** Nothing set forth in this Agreement may be deemed to require Developer to complete the Project; however, the City and the Developer agree that the permitted, conditional and permitted uses of the Property are provided in the Applicable Rules, as modified by subsection (f) herein below;

(b) **Density and Intensity of Use.** The City and Developer agree that the maximum densities and intensities for the permitted use of the Project are as set forth in this Agreement and the Discretionary Approvals.

(c) **Maximum Height and Size of Proposed Building.** The City and Developer agree that the maximum height and size of the building proposed for the Project are set forth in this Agreement.

(d) **Development Standards.** All design and development standards applicable to the development of the Project must comply with the Applicable Rules, as modified by subsection (f) herein below, the conditions of the Discretionary Approvals as adopted, amended or modified in the future by mutual consent. The sole exactions, conditions, and mitigation measures to be required for the Project are those contained in the Applicable Rules, the conditions imposed by the Project's Discretionary Approvals, and this Agreement.

(e) **Adherence to Building Code.** All construction on the Property must adhere to the model codes adopted by reference in the ESMC in accordance with California law in effect at the time the plan check or permit is approved and to any federal or state building requirements that are then in effect (collectively "the Building Codes").

(f) **Extension of Interim Approval for Airport Park and Ride.** The Developer may design and construct the Project with the following exceptions to the current Zoning Ordinance Development Standards, as may reasonably be required to carry out the Project, including, without limitation, the following:

(i) In connection with Development Project, the existing "Administrative Use Permit" (EA No.356, and AUP No. 94 -6), for Developer's currently existing "Park and Ride" business is permanently revoked and the use must be discontinued upon the issuance of a Certificate of Occupancy for the first tenant improvement associated with the Development Project, excluding occupancy of a building management/leasing office which does not trigger such revocation.

7. **Acknowledgements, Agreements and Assurances on the Part of the Developer.** The parties acknowledge and agree that Developer's faithful performance in developing the Project on the Site, pursuant to the terms of this Agreement and in constructing and installing public improvements, making payments and complying with the Applicable Rules will fulfill substantial public needs. The City acknowledges and agrees that there is good and valuable consideration to the City resulting from
Developer's assurances and faithful performance thereof and that same is in balance
with the benefits conferred by the City on the Project and the Developer by this
Agreement. In consideration of the foregoing and the City's assurances set out in
Section 8 below, Developer makes the covenants set forth in this Agreement.

8. Acknowledgments, Agreements and Assurances on the Part of the City.
In order to effectuate the provisions of this Agreement and in consideration for the
Developer to obligate itself to carry out the covenants and conditions set forth in the
preceding Section 7 of this Agreement, the City agrees and assures Developer that
Developer will be permitted to carry out and complete the development of the Project
within the Site, subject to the terms and conditions of this Agreement, the conditions
of the Project Approvals and the Applicable Rules, as modified by this Agreement.
Therefore, the City agrees and acknowledges that:

(a) Entitlement to Develop. The Developer is granted the vested right
to develop the Project on the Site to the extent and in the manner provided in this
Agreement, subject to the Applicable Rules, as modified by this Agreement, and, should
the City make the findings set forth below in this subparagraph (a), any "Subsequent
Applicable Rules." Any change in the Applicable Rules, including, without limitation,
any change in the General Plan, any applicable Specific Plan, Zoning Ordinance,
growth management regulations, design standards or any subdivision regulation of the
City, adopted or becoming effective after the Effective Date, cannot be applied by the
City to the Project on the Site. Subsequent Applicable Rules can be applied to the Site
by the City only if, after public hearing, (1) the City determines that the failure of the City
to apply Subsequent Applicable Rules will place residents of the City in a condition
substantially dangerous to their health or safety, which condition cannot otherwise be
mitigated in a reasonable manner and (2) it is applied consistently and evenly to all
other similar developments in the City. Subsequent Applicable Rules with regard to
increases in existing permit fees imposed by the City (i.e., fees intended to cover the
City's processing costs) and not otherwise restricted by the terms of this Agreement,
may, notwithstanding the above, be imposed on Developer.

In the event that a state or federal law or regulation is enacted after this
Agreement has been entered into, which would prevent or preclude compliance with
one or more provisions of the Agreement, such provisions of the Agreement must be
modified or suspended as may be necessary to comply with such state or federal law or
regulation.

(b) Subsequent Discretionary Actions. With respect to any
Discretionary Action or Discretionary Approval that is, or may be required subsequent to
the execution of this Agreement, the City agrees that it will not unreasonably withhold
from Developer or unreasonably condition or delay any such Discretionary Action or
Discretionary Approval which must be issued by the City in order for the development of
the Project Site to proceed unless the City determines that (1) the failure to impose such
condition would place residents of the City in a condition substantially dangerous to their
health or safety, which condition cannot otherwise be mitigated in a reasonable manner
and (2) such condition is applied consistently and evenly to all other similar developments in the City. Moreover, in the event that a state or federal law or regulation is enacted after this Agreement has been entered into, which would prevent or preclude compliance with one or more provisions of the Agreement, such provisions of the Agreement will be modified or suspended as may be necessary to comply with such state or federal law or regulation.

9. **Vesting of Development Rights.** In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court held that the failure of the parties therein to provide for the timing or rate of development resulted in an after-adopted initiative restricting the rate of development to prevail against the parties' agreement. City and Developer intend to avoid the result in *Pardee* by acknowledging and providing that Developer shall have the right, without obligation, except as otherwise specifically set forth herein, to develop the Property in such order and at such rate and times as Developer deems appropriate within the exercise of its subjective business judgment subject to the term of this Agreement. In furtherance of the City's and Developer's intent, as set forth in this Section, no future amendment of any existing City ordinance or resolution, or future adoption of any ordinance, resolution or other action, that purports to limit the rate or timing of development over time or alter the sequencing of development phases, whether adopted or imposed by the City Council or through the initiative or referendum process, shall apply to the Site. However, nothing in this section shall be construed to limit City's right to enforce Developer's obligation pursuant to this Agreement to provide all infrastructure required by the Project Approvals and this Agreement.

10. **Benefits to the City.** The Developer agrees to contribute to the City an additional sum as an enhanced community benefit to be paid to the City annually for a period of five (5) years beginning upon the effective date of this Development Agreement. The Developer will be permitted to use any excess parking spaces for an off-site airport parking use located in the parking structure at 892 North Sepulveda Boulevard. The number of excess parking spaces is determined by the number of spaces that are not required by the El Segundo Municipal Code for use by the existing office building at 898 North Sepulveda Boulevard. The airport parking use is permitted on an interim basis in a manner consistent with Administrative Use Permit No. 94-6, until a Certificate of Occupancy is issued for the proposed office building. This payment will cease after five (5) years or on the date that a Certificate of Occupancy is issued for the proposed building, whichever occurs first. The payment schedule is as follows:

- **Year 1:** $12,000 (to be paid upon the effective date of this Development Agreement)
- **Year 2:** $12,000 (due 12 months after the proceeding payment)
- **Year 3:** $18,000 (due 12 months after the proceeding payment)
- **Year 4:** $18,000 (due 12 months after the proceeding payment)
- **Year 5:** $18,000 (due 12 months after the proceeding payment)

The City will benefit from increased sales taxes derived from retail sales to occupants of the Project. Further, the Developer agrees to contribute to the City the sum of One-
Hundred Fifty Thousand Dollars ($150,000) for the cost of landscaping, median, visual, and other improvements to Sepulveda Boulevard in the vicinity of the Site. The City shall, at its sole discretion determine which improvements the Developer's contribution shall be used for. The payment shall be made before the City's issuance of a Certificate of Occupancy for the first tenant improvement associated with the Development Project, excluding a building/management and leasing office which shall not trigger the contribution obligation. Any such work shall be performed by the City.

11. **Cooperation and Implementation.** The City agrees that it will cooperate with Developer to the fullest extent reasonable and feasible to implement this Agreement. Upon satisfactory performance by Developer of all required preliminary conditions, actions and payments, the City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and the development of the Project or Site in accordance with the terms of this Agreement. Developer must, in a timely manner, provide the City with all documents, plans, and other information necessary for the City to carry out its obligations under this agreement.

12. **Review of Compliance.**

   (a) **Periodic Review.** The City Manager of the City will review this Agreement annually, on or before the anniversary of the Effective Date, in accordance with the procedure and standards set forth in this Agreement and the El Segundo Municipal Code in order to ascertain compliance by the Developer with the terms of this Agreement.

   (b) **Special Review.** The City Council of the City may order a special review of compliance with this Agreement at any time but not to exceed twice per year. The Director of Planning and Building Safety or the City Council, as determined by the City Council, must conduct such special reviews.

   (c) **Procedure.** During either a periodic review or a special review, the Developer is required to demonstrate good faith compliance with the terms of this Agreement. The burden of proof on this issue shall be on the Developer. The parties acknowledge that failure by the Developer to demonstrate good faith compliance constitutes grounds for termination or modification of this Agreement in accordance with Government Code § 65865.1.

13. **Default Provisions.**

   (a) **Default.** Either party to this Agreement is deemed to have breached this Agreement if it materially breaches any of the provisions of the Agreement and the same is not cured within the time set forth in a written notice of violation from the non-breaching party to the breaching party, which period of time cannot be less than ten (10) days for monetary defaults, and not less than sixty (60) days for non-monetary defaults from the date that the notice is deemed received, provided if the breaching party cannot
reasonably cure a non-monetary breach within the time set forth in the notice, then the breaching party cannot be in default if it commences to cure the breach within such time limit and diligently effects such cure thereafter. If the City determines to proceed with termination of this Agreement, the City must give written notice to the Developer of its intention to terminate this Agreement and comply with the notice and public hearing requirements of Government Code §§ 65867 and 65868. At the time and place set forth in the hearing on termination, the Developer must be given an opportunity to be heard. If the City Council finds based upon the evidence that the Developer is in breach of the Agreement, the Council may modify or terminate this Agreement.

(b) **Content of Notice of Violation.** Every notice of violation must state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, and the manner in which the breach may be satisfactorily cured. The notice is deemed given on the date that it is personally delivered or on the date that is three (3) business days after it is deposited in the United States mail, in accordance with Section 21 hereof.

(c) **Remedies for Breach.** The Parties agree that remedies for breach of the Agreement is limited to the remedies expressly set forth in this subsection. The remedies for breach of the Agreement by City or Developer are limited to injunctive relief and/or specific performance except in the event of a monetary default by Developer the City is entitled to seek any remedy available to it at law or in equity.

14. **Mortgagee Protection:** At the same time that City gives notice to the Developer of a breach, City must send a copy of the notice to each holder of record of any deed of trust on the portion of the Site in which Developer has a legal interest ("Financier"), provided that the Financier has given prior written notice of its name and mailing address to City and the notice makes specific reference to this Section 14. The copies must be sent by United States mail, registered or certified, postage prepaid, return receipt requested, and are deemed received upon the third (3rd) day after deposit. Each Financier that has given prior notice to City pursuant to this Section has the right, at its option and insofar as the rights of City are concerned, to cure any such breach within sixty (60) days after the receipt of the notice from City. If such breach cannot be cured within such time period, the Financier may have such additional period as may be reasonably required to cure the same, provided that the Financier gives notice to City of its intention to cure and commences the cure within sixty (60) days after receipt of the notice for City and thereafter diligently prosecutes the same to completion. City cannot commence legal action against Developer by reason of Developer's breach without allowing the Financier to cure the same as specified herein. Notwithstanding any cure by Financier, this Agreement is binding and effective against the Financier and every owner of the Site, or part thereof, whose title thereto is acquired by foreclosure, trustee sale or otherwise.

15. **Estoppel Certificate.** At any time and from time to time, Developer may deliver written notice to City and City may deliver written notice to the Developer requesting that such party certify in writing that, to the knowledge of the certified party (i)
this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended, or if amended, the identity of each amendment, and (iii) the requesting party is not in breach of this Agreement, or if in breach, a description of each such breach. The party receiving such a request must execute and return the certificate within thirty (30) days following receipt of the notice. City acknowledges that a certificate may be relied upon by successors in interest to the Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Site in which that Developer has a legal interest.

16. Operating Memoranda and Amendments of Development Agreement.

(a) Operating Memoranda. The Parties acknowledge that the provisions of the Agreement require a close degree of cooperation and that new information and future events may demonstrate that changes are appropriate with respect to the details of performance of the Parties under this Agreement. The Parties desire, therefore, to retain a certain degree of flexibility with respect to the details of performance for those items covered in general terms under this Agreement. If and when, from time to time, the Parties find that refinements or adjustments are desirable, such refinements or adjustments will be accomplished through operating memoranda or implementation agreements approved by the Parties which, after execution, will be attached to this Agreement as addenda and become a part hereof.

Operating memoranda or implementation agreements may be executed on behalf of the City by the City Manager and the City Attorney. In the event a particular subject requires notice or hearing, such notice or hearing will be appropriately given. Any significant modification to the terms of performance under this Agreement will be processed as an amendment of this Agreement in accordance with applicable rules and must be approved by the City Council.

(b) Amendments. This Agreement may be amended from time to time only upon the mutual written consent of City and Developer; provided, however, that in connection with the transfer of any portion of Developer’s rights or obligations under this Agreement to another developer, Developer (or any assignee of Developer’s rights), such other developer and City may agree that the signature of such other developer may be required to amend this Agreement insofar as such amendment would materially alter the rights or obligations of such developer hereunder. In no event will the signature or consent of any “Non-Assuming Transferee” (defined below) be required to amend this Agreement.

(c) Minor Changes. Any change to this Agreement which does not substantially affect (i) the Term of this Agreement, (ii) permitted uses of the Project Site, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions or requirements for subsequent discretionary actions, (v) the density or intensity of use of the Project Site or the maximum height or size of proposed buildings or (vi) monetary contributions by Developer, will, with Developer’s consent, be subject to the review and
approval of the City's city manager (the "City Manager") and not require notice or public hearing, except to the extent otherwise required by law.

(d) **Future Development Agreements.** Except as otherwise consented to by Developer, any future development agreement that may be entered into between City and a successor or assign of Developer with respect to any portion of the Project Site must be consistent with the terms and provisions of this Agreement.

(e) **Future Approvals Do Not Require Amendments to Development Agreement.** Except as may be otherwise agreed to by the parties, no amendment of this Agreement is required in connection with the issuance of any Discretionary Approval. Any Discretionary Approval issued after the Effective Date will automatically be incorporated into this Agreement and vested hereby. City will not issue any Discretionary Approval for any portion of the Project Site unless Developer requests such Discretionary Approval from City.

17. **Term of Agreement.** This Agreement becomes operative and begins upon the Effective Date and remains in effect for a term of five (5) years, unless said term is terminated, modified, or extended by circumstance set forth in this Agreement or by mutual consent of the parties hereto. Following the expiration of said term, this Agreement is deemed terminated and of no further force and effect; provided, such termination does not automatically affect any right of the City or Developer arising from City approvals on the Project before the expiration of the term or arising from the duties of the parties as prescribed in this Agreement.

18. **Administration of Agreement and Resolution of Disputes.** All decisions by the City staff concerning the interpretation and, administration of this Agreement and the Project which is the subject hereof are appealable to the City Council and all like decisions by the City Council are final. However, decisions of the City Council shall also be subject to judicial review pursuant to Code of Civil Procedure § 1094.5. so long as such action is filed in a court of competent jurisdiction not later than ninety (90) days following the date on which the City's decision becomes final pursuant to Code of Civil Procedure § 1094.6.

19. **Notices.** All notices under this Agreement must be in writing and are effective when personally delivered or upon the third (3rd) day after deposit in the United States mail as registered or certified mail, postage prepaid, return receipt requested, to the following representatives of the parties at the addresses indicated below:

If to the City: City of El Segundo
350 Main Street
El Segundo, California 90245
Attn: Director of Planning and Building Safety

With a copy to: Jenkins & Hogin, LLP
20. **Severability and Termination.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is superseded or rendered unenforceable according to any law which becomes effective after the Effective Date, the remainder of this Agreement shall be effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

21. **Time of Essence.** Time is of the essence for each provision of this Agreement of which time is an element.

22. **Force Majeure.** In the event of changed conditions, changes in local, state or federal laws or regulations, floods, delays due to strikes, inability to obtain materials, civil commotion, fire, or other circumstances which substantially interfere with carrying out the Project, as approved by the City, or with the ability of either party to perform its obligations under this Agreement, and which are not due to actions of Developer and are beyond its reasonable control, the parties agree to bargain in good faith to modify such obligations to achieve the goals and preserve the original intent of this Agreement.

23. **Waiver.** No waiver of any provision of this Agreement constitutes a waiver of any other provision, whether or not similar; nor does any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver is binding, unless it is executed in writing by a duly authorized representative of the party against whom enforcement of the waiver is sought.

24. **Entire Agreement.** This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and all prior agreements or understandings, oral or written, are hereby merged herein. This Agreement cannot be amended, except as expressly provided herein.
25. **Relationship of the Parties.** Each party acknowledges that, in entering into and performing under this Agreement, it is acting as an independent entity and not as an agent of any of the other Party in any respect. Nothing contained herein or in any document executed in connection herewith may be construed as creating the relationship of partners, joint ventures or any other association of any kind or nature between City and Developer, jointly or severally.

26. **Rules of Construction.** The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they do not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision of this Agreement be found to be in conflict with any provision of the Project Approvals or the Subsequent Approvals, the provisions of this Agreement shall prevail over the Project Approvals.

27. **Constructive Notice and Acceptance.** Every person who, now or hereafter, owns or acquires any right, title or interest in or to any portion of the Project Site is conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest in the Project Site.

28. **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person has any right of action based upon any provision of this Agreement.

29. **Incorporation of Exhibits.** The following Exhibits are part of this Agreement and each of which are incorporated herein by this reference:

   - Exhibit A -1 Legal Description of Parcel 1
   - Exhibit A -2 Legal Description of Parcel 2
   - Exhibit B Description of the Projects
   - Exhibit C Form of Assignment and Assumption

30. **Entire Agreement Conflicts.** This Agreement represents the entire agreement of the parties. Should any or all of the provisions of this Agreement be found to be in conflict with any provision or provisions found in the Project Approvals, Applicable Rules, or Subsequent Applicable Rules, then the provision(s) of this Agreement prevail.

31. **Release Upon Transfer.** Upon the sale or transfer of the Developer's interest in any portion of the Property, except as otherwise provided herein, Developer is released from its obligations with respect to the portion so sold or transferred subsequent to the effective date of the sale or transfer and the City's sole remedy is against the assignee or its successor or assign, provided that (i) Developer is not in breach of this Agreement at the time of the sale or transfer and (ii) before the sale or transfer, Developer delivers to City a written assignment and assumption agreement in
the four attached hereto as Exhibit "C," duly executed by the purchaser or transferee and notarized by a notary public, whereby the purchaser or transferee expressly assumes the obligations of Developer under this Agreement with respect to the sold or transferred portion of the Property. Failure to provide a written assumption agreement hereunder does not negate, modify or otherwise affect the liability of the purchaser or transferee pursuant to this Agreement. Nothing contained herein may be deemed to grant to City discretion to approve or deny any such sale or transfer.

32. **Hold Harmless.** The Developer hereby agrees to and must defend, protect, save and hold the City and its elected and appointed boards, commissions, officers, agents and employees harmless from any and all claims, costs, losses, fines, penalties, demands, injuries, judgments and/or liabilities for any damages arising out of, or resulting from, the City's approval of this Agreement or either party's performance pursuant to this Agreement; provided, however, that the Developer is not required to indemnify the City from its negligence or willful misconduct; and further provided that the Developer may elect to legally challenge the City's implementation or interpretation of this Agreement.

33. **Joint Preparation.** This Agreement is deemed to have been prepared jointly and equally by the Parties, and it cannot be construed against any party on the ground that the Party prepared the Agreement or caused it to be prepared.

34. **Governing Law and Venue.** This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this Agreement must be filed in the appropriate court having jurisdiction in the County of Los Angeles.

35. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which is deemed an original, but all of which constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have each executed this Agreement of the date first written above

CITY OF EL SEGUNDO

By: ____________________________ Mayor

ATTEST:

______________________________ Cindy Mortesen, City Clerk

14
Approved as to form:

Mark D. Hensley, City Attorney

REALTY ASSOCIATES ADVISORS, LLC, a Delaware limited liability company

By: ____________________________________________

Name: __________________________________________

Its" President
EXHIBIT A-1

Legal Description of Parcel 1 (898 North Sepulveda Boulevard)

Parcel 1 of Parcel Map No. 11008, in the City of El Segundo, County of Los Angeles, State of California, as shown on the Map filed in Book 123, Page 1 of Parcel Map in the Office of the County Recorder of said County.
EXHIBIT A-2

Legal Description of Parcel 2
(888 North Sepulveda Boulevard and 892 North Sepulveda Boulevard)

Parcel 2 of Parcel Map No. 11008, in the City of El Segundo, County of Los Angeles, State of California, as shown on the Map filed in Book 123, Page 1 of Parcel Maps, in the Office of the County Recorder of said County.
EXHIBIT "B"

Description of Project

The Project consists of the development of an office building ten (10) stories or less, but not to exceed 200 feet in height, consisting of a maximum of eighty eight thousand eight hundred and forty seven (88,847) square feet with a Floor Area Ratio ("FAR ") of 0.8., with parking provided by the existing parking structure located on Parcel 2, with an additional 17 surface parking stalls. The existing Park and Ride business would be permanently revoked and the use would be discontinued upon the issuance of a Certificate of Occupancy for the first tenant improvement associated with the Project, provided that the occupancy of a building management/leasing office will not trigger such revocation.
EXHIBIT "C"

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption is entered into as of this day of _______, 2011, by and between Realty Advisors Associates, LLC, A Delaware Limited Liability Company ("Assignor") and ________________ ("Assignee") with respect to the following facts:

RE C IT A L S:

A. Assignor is the "Developer" with respect to that certain Development Agreement dated _______, (the "Development Agreement") by and between Assignor and the City of El Segundo, a city in the State of California ("City").

B. The Development Agreement pertains to that certain real property located in the City consisting of 888, 892 and 898 North Sepulveda Boulevard (collectively, the "Site").

C. By this Assignment and Assumption, Assignor desires to assign all its right, title and interest in and to the Development Agreement to Assignee and Assignee desires to assume all of Developer's interest and obligations with respect to the Development Agreement.

NOW, THEREFORE, for good and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment of Development Agreement. Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee all of its right, title and interest in and to the Development Agreement and Assignee hereby accepts such assignment.

2. As-Is; Non-Recourse. Assignee hereby acknowledges and represents that Assignee has had a full and complete opportunity to evaluate the Development Agreement and the Site. Assignee acknowledges and represents that Assignee accepts the assignment of Assignor's interest in the Development Agreement on an "AS IS" basis, without any recourse to Assignor, and without any representation or warranty of any kind with respect to the terms and conditions of the Development Agreement and/or the obligations of "Developer" under the Development Agreement.

3. Assumption of Obligations. By acceptance of this Assignment, Assignee hereby assumes and agrees to perform and to be bound by all the terms, conditions, covenants and obligations imposed upon or assumed by Assignor under the Development Agreement.
4. Miscellaneous.

(a) Notices. All notices or other communications provided for or permitted hereunder shall be made in writing by hand-delivery, or pre-paid first-class mail:

If to Assignor: Realty Advisors Associates, LLC,
A Delaware Limited Liability
Company

If to Assignee:

ALL SUCH NOTICES AND COMMUNICATIONS SHALL BE DEEMED TO HAVE BEEN DULY GIVEN: WHEN DELIVERED BY HAND, IF PERSONALLY DELIVERED; AND TWO BUSINESS DAYS AFTER BEING DEPOSITED IN THE MAIL, POSTAGE PRE-PAID, IF MAILED AS AFORESAID. ANY PARTY MAY FROM TIME TO TIME, BY WRITTEN NOTICE TO THE OTHER, DESIGNATE A DIFFERENT ADDRESS WHICH SHALL BE SUBSTITUTED FOR THAT SPECIFIED ABOVE.

(b) Captions and Headings. The captions and headings in this Assignment for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(c) Time of Essence. Except as otherwise provided herein, time is of the essence with respect to all provisions of this Assignment in which a definite time for performance is specified; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefit of any grace period provided for in this Assignment.

(d) Interpretation and Governing Law. This Assignment shall be governed by and construed in accordance with the internal laws of the State of California applicable to agreements made and to be performed within the state. The provisions of this Assignment shall be interpreted in a reasonable manner to effect the purpose of the parties and this Assignment. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Assignment against the party that has drafted it is not applicable and is waived.

(e) Waiver of Jury Trial. The parties hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding or hearing brought by a party hereto or its successors and assigns on any matter whatsoever arising out of, or in any way connected with, this Assignment, the relationship of the parties hereto, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

(f) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of

EXHIBIT “C”
any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected, it being intended that all other rights and privileges shall be enforceable to the fullest extent permitted by law.

(g) Attorneys' Fees. In any action or proceeding brought to enforce or interpret any provision of this Assignment, or where any provision hereof is validly asserted as a defense, the prevailing party shall be entitled to recover actual attorneys' fees and all other litigation costs including without limitation costs awardable pursuant to California Code of Civil Procedure Section 1033.5 and amounts payable to expert witnesses ("Costs") in addition to any other available remedy. In addition to the fees and Costs recoverable under the preceding sentence, the parties agree that the prevailing party shall be entitled to recover actual attorneys' fees and Costs incurred in connection with the enforcement of a judgment arising from such action or proceeding.

(h) Entire Agreement. This Assignment is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Assignment supersedes any and all prior restrictions, promises, representations, warranties, agreements, understandings and undertakings between the parties with respect to such subject matter and there are no restrictions, promises, representations, warranties, agreements, understandings or undertakings with respect to such subject matter other than those set forth or referred to herein.

(i) Waiver. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(j) Amendments. Neither this Assignment nor any term hereof may be changed, waived, discharged or terminated orally or in writing, except that any term of this Assignment may be amended by a writing signed by the parties, and the observance of any such term may be waived (either generally or in a particular instance and either retroactively or prospectively) by a writing signed by the party against whom such waiver is to be asserted.

(k) Successors and Assigns. This Assignment shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties.

(l) No Third Party Beneficiaries. Nothing expressed or mentioned in this Assignment is intended or shall be construed to give any person, other than the parties hereto and their respective successors and assigns, any legal or equitable right, remedy or claim under or in respect of this Assignment or any provisions herein contained, this Assignment and any conditions and provisions hereof being intended to be
and being for the sole and exclusive benefit of the parties hereto and their respective successors and assigns, and for the benefit of no other person.

(m) Counterparts. This Assignment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

5. Facsimile. This Assignment may be executed by a party's signature transmitted by facsimile ("fax"), and copies of this Assignment executed and delivered by means of faxed signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon faxed signatures as if such signatures were originals. Any party executing and delivering this Assignment by fax shall promptly thereafter deliver a counterpart signature page of this Assignment containing said party's original signature. All parties hereto agree that a faxed signature page may be introduced into evidence in any proceeding arising out of or related to this Assignment as if it were an original signature page.

"ASSIGNOR"

Realty Advisors Associates, LLC, A Delaware Limited Liability Company

By:

Name: __________________________

Its: __________________________

"ASSIGNEE"
EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code §§ 6103, 27383
Recording Requested By
and When Recorded Return to:

CITY CLERK
CITY OF EL SEGUNDO
350 MAIN STREET
EL SEGUNDO, CA 90245

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF EL SEGUNDO
AND
W9/SEP REAL ESTATE LIMITED PARTNERSHIP REALTY ADVISORS ASSOCIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS
OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO THE
REQUIREMENTS OF GOVERNMENT CODE §65868.5
DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made this 20TH day of March 2004 by and between the CITY OF EL SEGUNDO, a City in the State of California ("City"), and W/SEP REAL ESTATE LIMITED PARTNERSHIPREALTY ADVISORS ASSOCIATES, LLC, a Delaware limited partnership company (the "Developer"). In consideration of the mutual covenants and agreements contained in this Agreement, the City and Developer agree as follows:

1. **Recitals.** This Agreement is made with respect to the following facts and for the following purposes, each of which are acknowledged as true and correct by the parties:

   A. The City is authorized pursuant to Government Code Sections 65864 through 65869.5 to enter into binding agreements with persons or entities having legal or equitable interests in real property for the development of such property in order to establish certainty in the development process.

   B. The Developer is the owner of certain real property, located at the southeast corner of Sepulveda Boulevard and Walnut Avenue (the "Site"), commonly known as 888 N. Sepulveda Boulevard, 892 N. Sepulveda Boulevard, and 898 N. Sepulveda Boulevard (collectively, the "Site"). Currently, 898 N Sepulveda Boulevard is improved with an eight (8)-story, eighty-five thousand (85,000) square foot office building, which Developer recently caused to be remodeled and retrofitted. 898 N Sepulveda Boulevard is hereinafter referred to as "Parcel 1" and is legally described on Exhibit "A-1" attached hereto. Currently, 888 N. Sepulveda Boulevard is vacant. The property was formerly improved with a twelve (12)-story, one hundred forty thousand (140,000) square foot office building, which had been vacant for approximately ten (10) years, contained asbestos and required extensive retrofitting. The building was demolished in 2002. Located on 892 N. Sepulveda Boulevard is a six (6)-story parking structure, providing required parking for the buildings located on Parcel 1 and Parcel 2, and for a separate airport parking business operated by a Developer known as "Airport 105 Parking." 888 N. Sepulveda Boulevard and 892 N. Sepulveda are collectively referred to and herein as "Parcel 2", and are legally described on Exhibit "A-2" attached hereto.

   C. The Parties desire to enter into this Agreement in conformance with the Government Code and the City of El Segundo Municipal Code in order to achieve the development of the Site as expressly provided under the terms of this Agreement.

   D. The Developer proposes to demolish the existing twelve (12)-story office building, and construct a six (6)-story office building ten (10) stories or less, but not to exceed 200 feet in height, consisting of a maximum of one hundred twenty thousand six hundred and ten eighty eight thousand eight hundred and forty seven (88,847) square feet with a Floor Area Ratio ("FAR") of 1.086 0.8. Parking for the new six (6)-story office building would be provided by the existing parking structure
located on Parcel 2, with an additional seventeen (17) surface parking stalls (the "Development Project.") The Development Project is hereinafter sometimes referred to as the "Project." All parking required for Parcel 1 shall be provided on Parcel 2.

E. The City desires to obtain the binding agreement of the Developer for the development of the Site in accordance with the provisions of this Agreement.

F. The Developer desires to obtain the binding agreement of the City to permit the Developer to develop the Project in accordance with the "Applicable Rules" (as hereinafter defined), as modified by this Agreement. In consideration thereof, Developer agrees to waive its rights to legally challenge the limitations and restrictions imposed upon the development of the Property pursuant to the Project approvals and this Agreement and to provide the public benefits and improvements specified in this Agreement.

G. Developer has applied to the City in accordance with applicable procedures for approval of this mutually binding Agreement. The Planning Commission and City Council of the City have given notice of intention to consider this Agreement and, have conducted public hearings thereon pursuant to the Government Code.

H. This Agreement is consistent with the present public health, safety, and welfare needs of the residents of the City of El Segundo and the surrounding region. The City has specifically considered and approved the impact and benefits of this Project upon the welfare of the region.

I. This Agreement will bind the City to the terms and obligations specified in this Agreement and will limit, to the degree specified in this Agreement and under State law, the future exercise of the City's ability to delay, postpone, preclude or regulate development of the Project on the Site except as provided for herein.

J. This Agreement eliminates uncertainty in planning and provides for the orderly development of the Project, and generally serves the public interest within the City of El Segundo and the surrounding region.

K. The City is entering into this Agreement in part because it anticipates that the Project, once completed, will replace an obsolete structure which has been vacant for approximately ten (10) years, with an attractive structure acting as a gateway and landmark for the northern portion of the City. The development of the Project will eliminate an obsolete building in the City in the form of the currently vacant twelve (12)-story structure, and the removal of asbestos from the vacant twelve (12)-story structure.

2. Definitions. In this Agreement, unless the context otherwise requires:

   (a) "Applicable Rules" means: (i) statutes, ordinances, the rules, regulations, and official policies of the City in force as of the "Effective Date" (as
hereinafter defined) governing zoning, development, density, permitted uses, growth management, environmental consideration, and design criteria applicable to the Project as modified by Section 6(f) of this Agreement; and (ii) the mitigation measures adopted by the City and the conditions imposed by this Agreement and the Project's Discretionary Approvals.

(b) "Discretionary Actions; Discretionary Approvals" are actions which require the exercise of judgment or a decision, and which contemplate and authorize the imposition of revisions or conditions, by the City, including any board, commission, or department of the City and any officer or employee of the City, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires the City, including any board, commission, or department of the City and any officer or employee of the City, to determine whether there has been compliance with applicable statutes, ordinances, regulations, or conditions of approval.

(c) "Effective Date" shall be the means the date the applications for Discretionary Approvals were approved by City Council.

(d) "Subsequent Applicable Rules" means the rules, regulations, and official policies of the City, as they may be adopted, operative after the Effective Date of this Agreement which, other than as provided for in this Agreement, would govern the zoning, development, density, permitted uses, growth management, environmental considerations, and design criteria applicable to the Project and Site. The parties intend the development of the Project and the Site to be subject to Subsequent Applicable Rules only to the extent specified in paragraph (a) of Section 8 of this Agreement.

(e) "Zoning Ordinance" is the Zoning Ordinance for the City of El Segundo—contains means the zoning regulations set forth in the El Segundo Municipal Code, as it exists on the Effective Date.

3. Interest of Developer. The Developer represents to the City that, as of the Effective Date, it owns the Site in fee, subject to encumbrances, easements, covenants, conditions, restrictions, and other matters of record.

4. Binding Effect. This Agreement, and all of the terms and conditions of this Agreement, shall run with the land comprising the Site and shall be binding upon and inures to the benefit of the parties and their respective assigns, heirs, or other successors in interest.

5. Negation of Agency. The Parties acknowledge that, in entering into and performing under this Agreement, each is acting as an independent entity and not as an agent of the other in any respect. Nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Developer joint venturers, partners or employer/employee.
6. **Development of the Property.** The following specific restrictions shall govern the use and development of the Project as described herein and in **Exhibit "B"**, and without the need for any additional Discretionary Actions:

   (a) **Permitted Uses of the Property.** Nothing set forth in this Agreement shall be deemed to require Developer to complete the Project; however, the City and the Developer agree that the permitted, conditional and permitted uses of the Property shall be as are provided in the Applicable Rules, as modified by subsection (f) herein below;

   (b) **Density and Intensity of Use.** The City and Developer agree that the maximum densities and intensities for the permitted use of the Project shall be as are set forth in this Agreement and the Discretionary Approvals.

   (c) **Maximum Height and Size of Proposed Building.** The City and Developer agree that the maximum height and size of the building proposed for the Project shall be as are set forth in this Agreement.

   (d) **Development Standards.** All design and development standards applicable to the development of the Project shall be in accordance must comply with the Applicable Rules, as modified by subsection (f) herein below, the conditions of the Discretionary Approvals as adopted, amended or modified in the future by mutual consent. The sole exactions, conditions, and mitigation measures to be required for the Project shall be as contained in the Applicable Rules, the conditions imposed by the Project's Discretionary Approvals, and this Agreement.

   (e) **Adherence to Building Code.** All construction on the Property shall must adhere to the California Building Code, including the Fire Resistive Design Manual, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, the Uniform Housing Code, the Uniform Code for the Abatement of Dangerous Buildings, the Uniform Code for Building Conservation and the Uniform Administrative Codes model codes adopted by reference in the ESMC in accordance with California law in effect at the time the plan check or permit is approved and to any federal or state building requirements that are then in effect (collectively "**the Building Codes**").

   (f) **Extension of Interim Approval for Airport Park and Ride.** The Developer shall be permitted to may design and construct the Project with the following exceptions to the current Zoning Ordinance Development Standards, as may reasonably be required to carry out the Project, including, without limitation, the following:

      (i) In connection with Development Project, the existing **"Administrative Use Permit"** (EA No.356, and AUP No. 94 -6), for Developer's currently existing **"Park and Ride"** business shall be is permanently revoked and
the use shall be...fined upon the issuance of a Certificate of
Occupancy for the first tenant improvement associated with the Development
Project, excluding occupancy of a building management/leasing office which
shall not trigger such revocation;

(ii) Two (2) loading spaces with a width of thirteen (13) feet and
a depth of thirty (30) feet shall be required to serve Parcel 2 instead of the three
(3) loading spaces with a width of thirteen (13) feet and depth of fifty (50) feet as
required by Section 20.54.060 of the City's Zoning Ordinance.

7. Acknowledgements, Agreements, and Assurances on the Part of the
Developer. The parties acknowledge and agree that Developer's faithful performance in
developing the Project on the Site, pursuant to the terms of this Agreement and in
constructing and installing public improvements, making payments and complying with
the Applicable Rules will fulfill substantial public needs. The City acknowledges and
agrees that there is good and valuable consideration to the City resulting from
Developer's assurances and faithful performance thereof and that same is in balance
with the benefits conferred by the City on the Project and the Developer by this
Agreement. In consideration of the foregoing and the City's assurances set out in
Section 8 below, Developer makes the covenants set forth in this Agreement.

8. Acknowledgements, Agreements, and Assurances on the Part of the City.
In order to effectuate the provisions of this Agreement and in consideration for the
Developer to obligate itself to carry out the covenants and conditions set forth in the
preceding Section 7 of this Agreement, the City hereby agrees and assures Developer
that Developer will be permitted to carry out and complete the development of the
Project within the Site, subject to the terms and conditions of this Agreement, the
conditions of the Project Approvals and the Applicable Rules, as modified by this
Agreement. Therefore, the City hereby agrees and acknowledges that:

(a) Entitlement to Develop. The Developer is hereby granted the
vested right to develop the Project on the Site to the extent and in the manner provided
in this Agreement, subject to the Applicable Rules, as modified by this Agreement, and,
should the City make the findings set forth below in this subparagraph (a), any
"Subsequent Applicable Rules." Any change in the Applicable Rules, including,
without limitation, any change in the General Plan, any applicable Specific Plan, Zoning
Ordinance, growth management regulations, design standards or any subdivision
regulation of the City, adopted or becoming effective after the Effective Date, shall
not be applied by the City to the Project on the Site. Subsequent Applicable Rules can be applied to the Site by the City only if, after public hearing, (1) the City
determines that the failure of the City to apply Subsequent Applicable Rules will place
residents of the City in a condition substantially dangerous to their health or safety,
which condition cannot otherwise be mitigated in a reasonable manner and (2) it is
applied consistently and evenly to all other similar developments in the City.
Subsequent Applicable Rules with regard to increases in existing permit fees imposed
by the City (i.e., fees intended to cover the City's processing costs) and not otherwise
restricted by the terms of this Agreement, may, notwithstanding the above, be imposed on Developer.

In the event that a state or federal law or regulation is enacted after this Agreement has been entered into, which would prevent or preclude compliance with one or more provisions of the Agreement, such provisions of the Agreement shall be modified or suspended as may be necessary to comply with such state or federal law or regulation.

(b) **Subsequent Discretionary Actions.** With respect to any Discretionary Action or Discretionary Approval that is, or may be required subsequent to the execution of this Agreement, the City agrees that it will not unreasonably withhold from Developer or unreasonably condition or delay any such Discretionary Action or Discretionary Approval which must be issued by the City in order for the development of the Project Site to proceed unless the City determines that (1) the failure to impose such condition would place residents of the City in a condition substantially dangerous to their health or safety, which condition cannot otherwise be mitigated in a reasonable manner and (2) such condition is applied consistently and evenly to all other similar developments in the City. Moreover, in the event that a state or federal law or regulation is enacted after this Agreement has been entered into, which would prevent or preclude compliance with one or more provisions of the Agreement, such provisions of the Agreement shall will be modified or suspended as may be necessary to comply with such state or federal law or regulation.

9. **Vesting of Development Rights.** In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court held that the failure of the parties therein to provide for the timing or rate of development resulted in a after-adopted initiative restricting the rate of development to prevail against the parties' agreement. City and Developer intend to avoid the result in *Pardee* by acknowledging and providing that Developer shall have the right, without obligation, except as otherwise specifically set forth herein, to develop the Property in such order and at such rate and times as Developer deems appropriate within the exercise of its subjective business judgment subject to the term of this Agreement. In furtherance of the City's and Developer's intent, as set forth in this Section, no future amendment of any existing City ordinance or resolution, or future adoption of any ordinance, resolution or other action, that purports to limit the rate or timing of development over time or alter the sequencing of development phases, whether adopted or imposed by the City Council or through the initiative or referendum process, shall apply to the Site. However, nothing in this section shall be construed to limit City's right to enforce Developer's obligation pursuant to this Agreement to provide all infrastructure required by the Project Approvals and this Agreement.

10. **Benefits to the City.** The Developer agrees to contribute to the City an additional sum as an enhanced community benefit to be paid to the City annually for a period of five (5) years beginning upon the effective date of this Development Agreement. The Developer will be permitted to use any excess parking spaces for an
off-site airport parking use located in the parking structure at 892 North Sepulveda Boulevard. The number of excess parking spaces is determined by the number of spaces that are not required by the El Segundo Municipal Code for use by the existing office building at 898 North Sepulveda Boulevard. The airport parking use is permitted on an interim basis in a manner consistent with Administrative Use Permit No. 94-6, until a Certificate of Occupancy is issued for the proposed office building. This payment will cease after five (5) years or on the date that a Certificate of Occupancy is issued for the proposed building, whichever occurs first. The payment schedule is as follows:

Year 1: $12,000 (to be paid upon the effective date of this Development Agreement)
Year 2: $12,000 (due 12 months after the proceeding payment)
Year 3: $18,000 (due 12 months after the proceeding payment)
Year 4: $18,000 (due 12 months after the proceeding payment)
Year 5: $18,000 (due 12 months after the proceeding payment)

The City will benefit from the elimination of the existing obsolete building as a result of the demolition of the existing, vacant twelve (12)-story building located on the Site, the abatement of asbestos located in such vacant building, and the development of a new, image enhancing development project within the northern portion of the City. The City will benefit from increased sales taxes derived from retail sales to occupants of the Project. Further, the Developer agrees to contribute to the City the sum of One-Hundred Fifty Thousand Dollars ($150,000) for the cost of landscaping, median, visual, and other improvements to Sepulveda Boulevard in the vicinity of the Site. The City shall, at its sole discretion determine which improvements the Developer's contribution shall be used for. The payment shall be made prior to the City's issuance of a Certificate of Occupancy for the first tenant improvement associated with the Development Project, excluding a building/management and leasing office which shall not trigger the contribution obligation Any such work shall be performed by the City.

11. Cooperation and Implementation. The City agrees that it will cooperate with Developer to the fullest extent reasonable and feasible to implement this Agreement. Upon satisfactory performance by Developer of all required preliminary conditions, actions and payments, the City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and the development of the Project or Site in accordance with the terms of this Agreement. Developer shall, in a timely manner, provide the City with all documents, plans, and other information necessary for the City to carry out its obligations under this agreement.

12. Review of Compliance.

(a) Periodic Review. The City Manager of the City shall review this Agreement annually, on or before the anniversary of the Effective Date, in accordance with the procedure and standards set forth in this Agreement and the El Segundo Municipal Code in order to ascertain compliance by the Developer with the terms of this Agreement.
(b) **Special Review.** The City Council of the City may order a special review of compliance with this Agreement at any time but not to exceed twice per year. The Director of Planning and Building Safety or the City Council, as determined by the City Council, shall conduct such special reviews.

(c) **Procedure.** During either a periodic review or a special review, the Developer shall be required to demonstrate good faith compliance with the terms of this Agreement. The burden of proof on this issue shall be on the Developer. The parties acknowledge that failure by the Developer to demonstrate good faith compliance shall constitute grounds for termination or modification of this Agreement in accordance with Government Code § 65865.1.

13. **Default Provisions.**

(a) **Default.** Either party to this Agreement shall be deemed to have breached this Agreement if it materially breaches any of the provisions of the Agreement and the same is not cured within the time set forth in a written notice of violation from the non-breaching party to the breaching party, which period of time shall not be less than ten (10) days for monetary defaults, and not less than sixty (60) days for non-monetary defaults from the date that the notice is deemed received, provided if the breaching party cannot reasonably cure a non-monetary breach within the time set forth in the notice, then the breaching party shall be in default if it commences to cure the breach within such time limit and diligently effects such cure thereafter. If the City determines to proceed with termination of this Agreement, the City shall give written notice to the Developer of its intention to terminate this Agreement and comply with the notice and public hearing requirements of Government Code Sections 65867 and 65868. At the time and place set forth in the hearing on termination, the Developer shall be given an opportunity to be heard. If the City Council finds based upon the evidence that the Developer is in breach of the Agreement, the Council may modify or terminate this Agreement.

(b) **Content of Notice of Violation.** Every notice of violation shall state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, and the manner in which the breach may be satisfactorily cured. The notice shall be deemed given on the date that it is personally delivered or on the date that is three (3) business days after it is deposited in the United States mail, in accordance with Section 21 hereof.

(c) **Remedies for Breach.** The Parties agree that remedies for breach of the Agreement shall be limited to the remedies expressly set forth in this subsection. The remedies for breach of the Agreement by City or Developer shall be limited to injunctive relief and/or specific performance except in the event of a monetary default by Developer the City shall be entitled to seek any remedy available to it at law or in equity.
14. **Mortgagee Protection:** At the same time that City gives notice to the Developer of a breach, City shall must send a copy of the notice to each holder of record of any deed of trust on the portion of the Site in which Developer has a legal interest ("Financier"), provided that the Financier has given prior written notice of its name and mailing address to City and the notice makes specific reference to this Section 14. The copies shall must be sent by United States mail, registered or certified, postage prepaid, return receipt requested, and shall be deere deemed received upon the third (3rd) day after deposit. Each Financier that has given prior notice to City pursuant to this Section shall have has the right, at its option and insofar as the rights of City are concerned, to cure any such breach within sixty (60) days after the receipt of the notice from City. If such breach cannot be cured within such time period, the Financier shall may have such additional period as may be reasonably required to cure the same, provided that the Financier gives notice to City of its intention to cure and commences the cure within sixty (60) days after receipt of the notice for City and thereafter diligently prosecutes the same to completion. City shall not cannot commence legal action against Developer by reason of Developer's breach without allowing the Financier to cure the same as specified herein. Notwithstanding any cure by Financier, this Agreement shall be is binding and effective against the Financier and every owner of the Site, or part thereof, whose title thereto is acquired by foreclosure, trustee sale or otherwise.

15. **Estoppel Certificate.** At any time and from time to time, Developer may deliver written notice to City and City may deliver written notice to the Developer requesting that such party certify in writing that, to the knowledge of the certified party (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended, or if amended, the identity of each amendment, and (iii) the requesting party is not in breach of this Agreement, or if in breach, a description of each such breach. The party receiving such a request shall must execute and return the certificate within thirty (30) days following receipt of the notice. City acknowledges that a certificate may be relied upon by successors in interest to the Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Site in which that Developer has a legal interest.

16. **Modification Amendment or Cancellation.** Subject to the notice and hearing requirements of Section 65867 of the Government Code, this Agreement may be modified or amended from time to time by mutual consent of the parties or their successors in interest in accordance with the provisions of the El Segundo Code and Section 65868 of the Government Code.

16. **Operating Memoranda and Amendments of Development Agreement.**

(a) **Operating Memoranda.** The Parties acknowledge that the provisions of the Agreement require a close degree of cooperation and that new information and future events may demonstrate that changes are appropriate with respect to the details of performance of the Parties under this Agreement. The Parties desire, therefore, to retain a certain degree of flexibility with respect to the details of performance for those items covered in general terms under this Agreement.
when, from time to time, the Parties find that refinements or adjustments are desirable, such refinements or adjustments will be accomplished through operating memoranda or implementation agreements approved by the Parties which, after execution, will be attached to this Agreement as addenda and become a part hereof.

Operating memoranda or implementation agreements may be executed on behalf of the City by the City Manager and the City Attorney. In the event a particular subject requires notice or hearing, such notice or hearing will be appropriately given. Any significant modification to the terms of performance under this Agreement will be processed as an amendment of this Agreement in accordance with applicable rules and must be approved by the City Council.

(b) Amendments. This Agreement may be amended from time to time only upon the mutual written consent of City and Developer; provided, however, that in connection with the transfer of any portion of Developer's rights or obligations under this Agreement to another developer, Developer (or any assignee of Developer's rights), such other developer and City may agree that the signature of such other developer may be required to amend this Agreement insofar as such amendment would materially alter the rights or obligations of such developer hereunder. In no event will the signature or consent of any "Non-Assuming Transferee" (defined below) be required to amend this Agreement.

(c) Minor Changes. Any change to this Agreement which does not substantially affect (i) the Term of this Agreement, (ii) permitted uses of the Project Site, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions or requirements for subsequent discretionary actions, (v) the density or intensity of use of the Project Site or the maximum height or size of proposed buildings or (vi) monetary contributions by Developer, will, with Developer's consent, be subject to the review and approval of the City's city manager (the "City Manager") and not require notice or public hearing, except to the extent otherwise required by law.

(d) Future Development Agreements. Except as otherwise consented to by Developer, any future development agreement that may be entered into between City and a successor or assign of Developer with respect to any portion of the Project Site must be consistent with the terms and provisions of this Agreement.

(e) Future Approvals Do Not Require Amendments to Development Agreement. Except as may be otherwise agreed to by the parties, no amendment of this Agreement is required in connection with the issuance of any Discretionary Approval. Any Discretionary Approval issued after the Effective Date will automatically be incorporated into this Agreement and vested hereby. City will not issue any Discretionary Approval for any portion of the Project Site unless Developer requests such Discretionary Approval from City.
17. **Term of Agreement.** This Agreement shall become operative and commence upon the Effective Date and shall remain in effect for a term of ten (10) years, unless said term is terminated, modified, or extended by circumstance set forth in this Agreement or by mutual consent of the parties hereto. Following the expiration of said term, this Agreement shall be deemed terminated and of no further force and effect; provided, such termination does not automatically affect any right of the City or Developer arising from City approvals on the Project prior to the expiration of the term or arising from the duties of the parties as prescribed in this Agreement.

18. **Administration of Agreement and Resolution of Disputes.** All decisions by the City staff concerning the interpretation and, administration of this Agreement and the Project which is the subject hereof are appealable to the City Council and all like decisions by the City Council shall be final. However, decisions of the City Council shall also be subject to judicial review pursuant to Code of Civil Procedure Sections 1094.5. so long as such action is filed in a court of competent jurisdiction not later than ninety (90) days following the date on which the City's decision becomes final pursuant to Code of Civil Procedure Section 1094.6.

19. **Notices.** All notices under this Agreement must be in writing and shall be effective when personally delivered or upon the third (3rd) day after deposit in the United States mail as registered or certified mail, postage prepaid, return receipt requested, to the following representatives of the parties at the addresses indicated below:

**If to the City:**

City of El Segundo  
350 Main Street  
E1 Segundo, California 90245  
Attn: Director of Community Economic and Development Services of Planning and Building Safety

**With a copy to:**  
Burke, Williams & Sorensen  
641 West Sixth Street, 25th Floor  
Los Angeles, California 90047  
Jenkins & Higin, LLP  
1230 Rosecrans Avenue, Suite 110  
Manhattan Beach, CA 90266  
Attn: Mark Hensley

**If to Developer:**  
Legacy Partners Commercial, Inc.  
30 Executive Park, Suite 100  
Irvine, California 92614  
Attention: Mr. Michael Morris  
Realty Associates Advisors, LLC  
1301 Dove Street, Suite 860  
Newport Beach, CA 92660
Attn: Cliff Chandler

With a copy to: Allen Matkins Leck Gamble & Mallery LLP
1900 Main Street, 6th Floor
Irvine, California 92614-7324
Attention: R. Michael Joyce, Esq. 898 Sepulveda Associates, LLC
4 Park Plaza, Suite 700
Irvine, CA 92614
Attn: David Drake

Any party may, from time to time, by written notice to the other, designate a different address which shall be substituted for the one above.

20. **Severability and Termination.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is superseded or rendered unenforceable according to any law which becomes effective after the Effective Date, the remainder of this Agreement shall be effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

21. **Time of Essence.** Time is of the essence for each provision of this Agreement of which time is an element.

22. **Force Majeure.** In the event of changed conditions, changes in local, state or federal laws or regulations, floods, delays due to strikes, inability to obtain materials, civil commotion, fire, acts of God, or other circumstances which substantially interfere with carrying out the Project, as approved by the City, or with the ability of either party to perform its obligations under this Agreement, and which are not due to actions of Developer and are beyond its reasonable control, the parties agree to bargain in good faith to modify such obligations to achieve the goals and preserve the original intent of this Agreement.

23. **Waiver.** No waiver of any provision of this Agreement shall constitutes a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless it is executed in writing by a duly authorized representative of the party against whom enforcement of the waiver is sought.

24. **Entire Agreement.** This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and all prior agreements or understandings, oral or written, are hereby merged herein. This Agreement shall not be amended, except as expressly provided herein.

25. **Relationship of the Parties.** Each party acknowledges that, in entering into and performing under this Agreement, it is acting as an independent entity and not
as an agent of any of the other Party in any respect. Nothing contained herein or in any document executed in connection herewith shall be construed as creating the relationship of partners, joint ventures or any other association of any kind or nature between City and Developer, jointly or severally.

26. Rules of Construction. The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they shall not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision of this Agreement be found to be in conflict with any provision of the Project Approvals or the Subsequent Approvals, the provisions of this Agreement shall prevail over the Project Approvals.

27. Constructive Notice and Acceptance. Every person who, now or hereafter, owns or acquires any right, title or interest in or to any portion of the Project Site is, and shall be, conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest in the Project Site.

28. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

29. Attorney's Fees. In the event any action, suit or proceeding is brought for the enforcement or declaration of any right or obligation pursuant to, or as a result of any alleged breach of, this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and litigation expenses and costs, and any judgment, order or decree rendered in such action, suit or proceeding shall include an award thereof. Attorneys' fees under this section shall include attorneys' fees on any appeal and any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

30. Incorporation of Exhibits. The following Exhibits are part of this Agreement and each of which are incorporated herein by this reference:

- Exhibit A -1 Legal Description of Parcel 1
- Exhibit A -2 Legal Description of Parcel 2
- Exhibit B Description of the Projects
- Exhibit C Form of Assignment and Assumption

31. Entire Agreement Conflicts. This Agreement represents the entire agreement of the parties. Should any or all of the provisions of this Agreement be found to be in conflict with any provision or provisions found in the Project Approvals,
Applicable Rules, or Subsequent Applicable Rules, then the provision(s) of this Agreement shall prevail.

3231. Release Upon Transfer. Upon the sale or transfer of the Developer's interest in any portion of the Property, except as otherwise provided herein, Developer shall be released from its obligations with respect to the portion so sold or transferred subsequent to the effective date of the sale or transfer and the City's sole remedy shall be against the assignee or its successor or assign, provided that (i) Developer is not in breach of this Agreement at the time of the sale or transfer and (ii) prior to the sale or transfer, Developer delivers to City a written assignment and assumption agreement in the four attached hereto as Exhibit "C", duly executed by the purchaser or transferee and notarized by a notary public, whereby the purchaser or transferee expressly assumes the obligations of Developer under this Agreement with respect to the sold or transferred portion of the Property. Failure to provide a written assumption agreement hereunder shall not negate, modify or otherwise affect the liability of the purchaser or transferee pursuant to this Agreement. Nothing contained herein may be deemed to grant to City discretion to approve or deny any such sale or transfer.

3332. Hold Harmless. The Developer hereby agrees to and shall defend, protect, save and hold the City and its elected and appointed boards, commissions, officers, agents and employees harmless from any and all claims, costs, losses, fines, penalties, demands, injuries, judgments and/or liabilities for any damages arising out of, or resulting from, the City's approval of this Agreement or either party's performance pursuant to this Agreement; provided, however, that the Developer shall not be required to indemnify the City from its negligence or willful misconduct; and further provided that the Developer may elect to legally challenge the City's implementation or interpretation of this Agreement.

3433. Joint Preparation. This Agreement shall be deemed to have been prepared jointly and equally by the Parties, and it shall not be construed against any party on the ground that the Party prepared the Agreement or caused it to be prepared.

3534. Governing Law and Venue. This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California shall govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this Agreement shall be filed in the appropriate court having jurisdiction in the County of Los Angeles.

3635. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
IN WITNESS WHEREOF, the Parties have each executed this Agreement of the date first written above.

CITY OF EL SEGUNDO

By: Mayor

ATTEST:

Cindy Mortensen, City Clerk

Approved as to form:

Mark D. Hensley

W9/SEP-REAL ESTATE LIMITED PARTNERSHIP, a Delaware limited partnership REALTY ASSOCIATES ADVISORS, LLC, a Delaware limited liability company

By: W9/SEP-Gen-Par, Inc., a Delaware corporation, General Partner

By: ____________________________ Name: ____________________________
Its" President
CITY OF EL SEGUNDO

PLANNING COMMISSION STAFF REPORT

PUBLIC HEARING: February 24, 2011

SUBJECT: Environmental Assessment No. 911 for a Development Agreement Extension No. 11-01 (First Amendment to Development Agreement No. 00-02)

APPLICANT: Realty Associates Advisors, LLC c/o Cliff Chandler

PROPERTY OWNER: 898 Sepulveda Associates, LLC c/o David Drake

REQUEST: Amend Development Agreement No. 00-02 to:
1) Extend its duration by five years;
2) Limit the size of the proposed office building to 88,847 square feet (net floor area);
3) Increase the potential height of the proposed office building to 10 stories or less not to exceed 200 feet in height;
4) Require the proposed office building to provide loading spaces in compliance with the El Segundo Municipal Code (two small truck loading spaces measuring 12 feet by 25 feet);
5) Retain the public benefit contribution to the City of $150,000 for the cost of landscaping, median, visual and other improvements to Sepulveda Boulevard;
6) Increase the public benefit contribution to the City by adding yearly payments of $12,000 for the first two years and $18,000 for the next three years; and
7) Allow the interim airport parking use ("Park and Ride") business to continue until completion of construction and issuance of a Certificate of Occupancy for the proposed office building.

PROPERTY INVOLVED: 888, 892, and 898 North Sepulveda Boulevard

I. Introduction & Background Discussion

On March 20, 2001, the City Council approved Development Agreement 00-02 and General Plan Amendment GPA No. 00-02 to allow for construction of a new office building at 888 North Sepulveda Boulevard (affecting 888, 892, and 898 North Sepulveda). The agreement has a duration of ten years and is due to expire on April 19, 2011. The applicant has requested an amendment to the development agreement to extend its duration by five years and to modify certain of its provisions related to development of the site and the benefits to the City. The subject site is located at the
southeast corner of North Sepulveda Boulevard and East Maple Avenue within the Corporate Office (CO) Zone. It is L-shaped and has frontage on both Sepulveda Boulevard and Maple Avenue. It is approximately 2.55 acres and is currently developed with an 840-space parking structure, which provides required parking for an office building on the adjacent parcel at 898 North Sepulveda Boulevard. The parking structure also provides parking spaces for an interim airport parking use, which was permitted by the original development agreement and an administrative use permit.

Specifically, the original development agreement (Exhibit 5) consists of the following main provisions:

A. The Development Project description. The project would involve construction of a six-story office building consisting of a maximum of 120,610 square-feet with a Floor Area Ratio ("FAR") of 1.086. Parking for the office building would be provided in the existing parking structure, with an additional 17 surface parking spaces.

B. Exceptions to Development Standards.
   i. The existing "Park and Ride" business approved on an interim basis (EA No. 356, and AUP No. 94-6) would be discontinued after construction of the office building and issuance of a Certificate of Occupancy for the first tenant improvement.
   ii. The project would be allowed to provide only two loading spaces measuring 13 feet by 30 feet, instead of the required three spaces measuring 13 feet by 50 feet.

C. Benefits to the City. The Developer agreed to contribute to the City the sum of $150,000 for the cost of landscaping, median, visual, and other improvements to Sepulveda Boulevard in the vicinity of the Site.

The proposed amendment to the Development Agreement (Exhibits 3 and 4) would:

A. Extend the duration of the agreement by five years until March 20, 2016;
B. Limit the size of the office building to 88,847 square feet (net floor area) and the FAR to 0.8, which is the current limit in the CO Zone.
C. Increase the potential height of the office building to 10 stories or less, but less than the maximum height limit of 200 feet which is consistent with the current CO Zone.
D. Modify the truck loading requirements to be consistent with current El Segundo Municipal Code standards.
E. Retain the public benefit contribution to the City of the sum of $150,000 for the cost of landscaping, median, visual and other improvements to Sepulveda Boulevard.
F. Increase the public benefit contribution to the City by adding yearly payments of $12,000 for the first two years and $18,000 for the next three years, commencing on the effective date of the proposed Development Agreement Amendment and paid annually thereafter.
G. Allow the interim airport parking use ("Park and Ride") business to continue on an interim basis until completion of construction and issuance of a Certificate of Occupancy for the proposed office building.
The applicant has been unable to complete the development project agreed to in the original development agreement due to changes in the market demand for office space and the overall economic conditions in the last few years. The applicant has requested the proposed amendments to allow more time to pursue development of the property. In addition, the proposed amendments will ensure that development of the site will be consistent with the City’s current development standards and the City will gain a larger financial benefit. As an alternative to the proposed office building, the property owner has expressed interest in seeking approval of a hotel development on this site, including a permanent airport-parking component. The approval of this DA Amendment will allow the interim airport parking use to continue while the owner seeks development approval of a hotel project.

The specific language of the proposed amendment is incorporated in the attached draft ordinance.

II. **Zoning and General Plan Consistency**

The El Segundo General Plan land use designation for the subject site is currently Corporate Office and the Zoning designation is CO (Corporate Office). The proposed amendment is consistent with its Zoning designation in that the proposed use is permitted in the CO Zone. In addition, the proposed development project will be reduced in area to meet the maximum FAR requirements currently permitted in the El Segundo Municipal Code, and will otherwise be consistent with the CO Zone development standards.

The proposed project is also consistent with relevant City of El Segundo General Plan Element Goals, Objectives, and Policies summarized below.

The General Plan Land Use Element Goal LU4 seeks to 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. The proposed development agreement will encourage development of a new office building, which will be consistent with the uses in the area that consist of a mixture of office and retail uses. The proposed office building will also help maintain and improve the employment and tax base in the City.

In addition, the Economic Development Element Goal ED1 aims to create a strong healthy economic community and improve the City’s tax base. The proposed development agreement will encourage development of a new office building, which will help improve the City’s economic community and tax base. Therefore, the proposed amendments to the existing development agreement are consistent with the City of El Segundo General Plan as specified in the attached resolution.

III. **Environmental Review**

The City previously adopted a Mitigated Negative Declaration for the proposed project pursuant to the requirements of the California Environmental Quality Act ("CEQA"), California Public Resources Code §§ 21000, et seq. In accordance with CEQA Guidelines § 15162(a), a new environmental document is not required for the proposed extension of the term of the Development Agreement since the proposed
project does not involve substantial changes that will require major revisions to the previous Mitigated Negative Declaration, and will not result in a significant impact to the environment or require new mitigation measures.

The proposed amendment is consistent with the certified Mitigated Negative Declaration (Exhibit 6) in that the proposed development will remain the same as in the original development agreement. The Mitigated Negative Declaration proposed mitigation in the areas of Air Quality, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Public Services, and Utilities and Service Systems, which would reduce the impacts to less than significant. None of the elements set forth in Public Resources Code § 21166 or CEQA Guidelines § 15162 exist since the proposed changes would not result in a new significant impact to the environment or require new mitigation measures. Accordingly, no subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the draft Ordinance approving the proposed amendment.

IV. Conclusion and Recommendation

Staff believes that the proposed Development Agreement Amendment will improve an undeveloped property along Sepulveda Boulevard; it will improve the City’s employment and tax base; it will be consistent with the development standards of the Corporate Office (CO) Zone; and it is not anticipated to have significant negative environmental impacts.

Therefore, staff recommends that the Planning Commission review the facts as contained within this report, conduct a public hearing, and adopt Resolution No. 2688 (Exhibit 1), which recommends that the City Council approve the draft DA amendment.

V. Exhibits

1. Draft Planning Commission Resolution No. 2688
2. Draft Ordinance
3. First Amendment to Development Agreement No. 00-02
4. First Amendment to Development Agreement No. 00-02 (strike-out/underline format)
5. Development Agreement No. 00-02
6. Mitigated Negative Declaration
7. Applications

Kimberly Christensen, AICP, Planning Manager
Planning and Building Safety Department

Greg Carpenter, Director
Planning and Building Safety Department
RESOLUTION NO. 2688

A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL APPROVE A FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 00-02 FOR THE DEVELOPMENT OF AN OFFICE BUILDING AT 888-898 NORTH SEPULEDADA BOULEVARD WITHIN THE CORPORATE OFFICE (CO) ZONE.

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

A. On March 20, 2001, the City Council of the City of El Segundo approved Environmental Assessment No. 535, Development Agreement No. 00-02, and General Plan Amendment to allow the development of an office building at 888-898 North Sepulveda Boulevard;

B. On February 8, 2011, the applicant, filed an application for an amendment ("First Amendment") to Development Agreement No. 00-02;

C. The application from Realty Associates Advisors, LLC was reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code ("ESMC");

D. In addition, the City reviewed the project’s environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., “CEQA”), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the “CEQA Guidelines”), and the City’s Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

E. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the application before the Planning Commission for February 24, 2011;

F. On February 24, 2011, the Commission opened the public hearing to receive public testimony and other evidence regarding the application including, without limitation, information provided to the Commission by City Staff, public testimony, and representatives of the applicant; and

G. This Resolution and its findings are made based upon the testimony and evidence presented to the Commission at its February 24, 2011, public hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.
**SECTION 2: Factual Findings and Conclusions.** The Commission finds that the following facts exist:

A. The proposed Development Agreement Amendment would extend the duration of the agreement by five years until April 19, 2018;

B. The proposed Development Agreement Amendment would limit the size of the proposed office building to 88,847 square feet (net floor area) and the FAR to 0.8, which is the current limit in the Corporate Office (CO) Zone;

C. The proposed Development Agreement Amendment would increase the potential height of the proposed office building to 10 stories or less, but less than the maximum height limit of 200 feet in the Corporate Office (CO) Zone;

D. The proposed Development Agreement Amendment would eliminate Development Agreement 00-02 Section 6(f)(ii) and thus require that loading spaces be provided in compliance with existing ESMC requirements for a new office building;

E. Retain the public benefit contribution to the City of the sum of $150,000 for the cost of landscaping, median, visual and other improvements to Sepulveda Boulevard;

F. Increase the public benefit contribution to the City by adding yearly payments of $12,000 for the first two years and $18,000 for the next three years commencing on the effective date of the proposed Development Agreement Amendment and paid annually thereafter; and

G. Allow the interim airport parking use ("Park and Ride") business to continue on an interim basis until completion of construction and issuance of a Certificate of Occupancy for the proposed office building.

**SECTION 3: Environmental Assessment.** The City Council previously certified a Mitigated Negative Declaration for the proposed project pursuant to CEQA requirements. In accordance with CEQA Guidelines § 15162(a), a new environmental document is not required for the proposed extension of the term of the Development Agreement since the proposed project does not involve substantial changes that will require major revisions to the previous Mitigated Negative Declaration, and will not result in a significant impact to the environment or require new mitigation measures.

**SECTION 4: General Plan.** The proposed project conforms with the City’s General Plan as follows:

A. The General Plan contains relevant Goals, Objectives, and Policies in the Land Use Element. The goal stated in Goal LU4 is to “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.” The proposed development agreement will encourage development of a new office building, which will be consistent with the uses in the area that consist of mixture of office and retail uses. The proposed office building will also help maintain and improve the tax base in the City.

B. The General Plan contains a number of relevant Goals, Objectives, and Policies in the Economic Development Element. Goal ED1 aims “to create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.” The proposed development agreement will encourage development of a new office building, which will help improve the City’s employment and tax base. Therefore, the proposed amendments to the existing development agreement are consistent with the City of El Segundo General Plan as specified in the attached resolution.

C. Goal ED2 aims “to provide a supportive and economically profitable environment as the foundation of a strong local business community.” Approving the proposed agreement for development of an office building would be consistent with this goal.

D. Objective ED2-1 is “to strengthen the partnerships between local government, the residential community, and El Segundo’s business community.” Allowing the proposed use would be consistent with this objective, in that it would help strengthen the partnership between the City of El Segundo and a major business center in the City.

SECTION 5: Development Agreement Findings. Pursuant to City Council Resolution No. 3268, adopted June 26, 1984, the Planning Commission finds that:

A. The project is consistent with the objectives, policies, general land uses, and programs specified in the general plan and any applicable specific plan. The First Amendment to Development Agreement No. 00-02 would provide the following public benefits in exchange for valuable development rights (five-year entitlement):

1. Increase and further stabilize the City’s tax base through development of new commercial businesses.
2. Provide fiscal benefit to the City by generating additional business license and sales tax revenue for the City’s General Fund.
3. Increase the diversity of uses and services in the City.
4. Increase City revenues through the generation of taxes that outweigh the City cost of services.
5. Development of a project that is consistent with the Elements of the General Plan.

B. The project is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located. The proposed office building would be located in the Corporate Office (CO) Zone. Offices are consistent with the existing uses in the immediate vicinity and those permitted in the CO Zone. In addition, the proposed development would comply with all the development standards of the CO Zone, including the building height, building area, and the parking and loading requirements.

C. The project is in conformity with the public convenience, general welfare and good land use practice. The proposed development would be consistent with the permitted uses and the development standards of the CO Zone. In addition, the development would be consistent with current Fire and Building Codes and all other applicable regulations, thereby protecting the general welfare.

D. The project will not be detrimental to the health, safety and general welfare. The proposed development would be consistent with the permitted uses and the development standards of the CO Zone. In addition, the development would be consistent with the current Fire and Building Codes and other applicable regulations, thereby protecting the general welfare. Furthermore, a Mitigated Negative Declaration adopted for the proposed project determined that with mitigation the project would not result in significant environmental impacts.

E. The project will not adversely affect the orderly development of property or the preservation of property values. The proposed project would be consistent with the City’s development standards and would improve the value of the subject site, which has been vacant for approximately eight years.

SECTION 6: Recommendation. The Planning Commission recommends that the City Council adopt the draft ordinance, attached as Exhibit “B,” and incorporated by reference, which would amend Development Agreement No. 00-02.

SECTION 7: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 8: The Commission Secretary is directed to mail a copy of this Resolution to T A Associates and to any other person requesting a copy.

SECTION 9: This Resolution may be appealed within ten (10) calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time.
period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

SECTION 10. Except as provided in Section 10, this Resolution is the Planning Commission's final decision and will become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 24th day of February 2011.

_________________________
David Wagner, Chairperson
City of El Segundo Planning Commission

ATTEST:

_________________________
Greg Carpenter, Secretary

Wagner -
Fellhauer -
Baldino -
Barbee -
Newman -

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: _________________________
Karl H. Berger, Assistant City Attorney
I. BACKGROUND

1. Project Title: Development Agreement No. 00-2 and General Plan Amendment No. 00-2 for replacement of building with new office building.

2. Lead Agency Name and Address: City of El Segundo, 350 Main Street, El Segundo, CA 90245

3. Contact Person and Phone Number: Paul Garry, Senior Planner, (310) 524-2342

4. Project Location: 888 North Sepulveda Boulevard

5. Project Sponsor’s Name and Address: W9/SEP Real Estate Limited Partnership
   Legacy Partners Commercial, Inc.
   30 Executive Park, Suite 100
   Irvine, CA 92614-6741
   Attn: Edwin Sundareson, Project Manager

6. General Plan Designation: Corporate Office

7. Zoning: Corporate Office (CQ)

8. Description of Project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary)

The project applicant is proposing to demolish the existing 12-story, 140,000 square foot vacant office building and construct a 6-story, approximately 120,610 net square foot office building at 888 North Sepulveda Boulevard. The proposed office building would be a Class A office building designed to increase the employment base of the City of El Segundo, which would likely draw tenants and employees from throughout the region. The fit and finish of the building would be similar to the recently renovated 898 North Sepulveda Boulevard office building located immediately north of the proposed project site. The applicant intends to use aqua blue green glass for the new 888 North Sepulveda Boulevard building and champagne-colored canopy and mullion system, along with colored concrete and limestone composite material at the base of the building, all of which would be similar to the adjacent office building. Parking for the facility would be provided within the existing 6-story parking structure located at 892 North Sepulveda Boulevard, adjacent to the proposed office building. A total of 835 parking spaces, or approximately 4.0 spaces per 1,000 square feet, would be provided within this structure. This
total would exceed the City requirement of 576 total parking spaces for the proposed new office building as well as the recently renovated office building at 898 North Sepulveda Boulevard which is also served by this parking structure. The facility will also provide two loading dock spaces of 13 feet by 30 feet at the rear of the building which is an exception to the loading dock requirements of three loading docks with dimensions of 13 feet by 50 feet. Because the existing General Plan land use designation, which applies to the proposed project site, would only allow construction of an 88,000 square foot building, an amendment to the General Plan to permit the additional building square footage which is sought by the applicant, is also being requested. This amendment would apply to this specific project site.

9. **Surrounding Land Uses and Setting:** *(Briefly describe the project’s surroundings)*

The proposed project site is currently developed with a 140,000 square foot, 12-story vacant office building, built in 1969, commonly known as 888 North Sepulveda Boulevard. The proposed project site also includes an 817 space, 6-story parking structure adjacent to the existing 888 North Sepulveda Boulevard building (see Photo 2). An 8-story, 89,000 square foot building, commonly known as 898 North Sepulveda Boulevard is located on the adjacent parcel to the north of the 888 North Sepulveda Boulevard building. This building was built in 1979 and has recently undergone a $7.2 million dollar renovation by the proposed project applicant. As the 898 North Sepulveda Boulevard building is owned by the project applicant, it is considered an integral part of this project, as the design of the proposed 888 North Sepulveda Boulevard office building will relate and match with the recently remodeled building.

The 888 North Sepulveda Boulevard building currently contains asbestos-containing materials, requires structural reinforcement to meet current seismic building code requirements, and has obsolete building systems (plumbing, electrical, mechanical, and elevators). The existing parking structure would provide parking to serve the proposed office use at 888 North Sepulveda Boulevard, as well as the recently renovated 898 North Sepulveda Boulevard building. The proposed office site is covered virtually in its entirety with buildings and paved surfaces and generally slopes toward the southeast corner of the property. The site is sparsely landscaped, with no significant trees or other landscaping on the site. There are no items of cultural, historical or scenic significance or aspects on the site.

The proposed project site is generally surrounded by commercial and industrial uses. The areas located to the south, east and north of the proposed project site is composed of low-rise industrial buildings with minimal landscaping. Most of the buildings are from the 1950’s and 1960’s and have undergone minimal improvements visually from the outside. Directly across the street on Sepulveda Boulevard is a Bank of America, and an older brick medical office building. Farther west of the Bank of America on Walnut Avenue, is a newer 6-story, 118,532 square foot office building called E.Tech Center. Diagonally opposite from the site at the northwest corner of Walnut and Sepulveda Boulevard are two older office towers and a parking structure. One of the towers is currently occupied by Boeing Satellite Systems, while the other building was built in the 1960’s and is undergoing renovations. There are no items of cultural, historical or scenic significance in the surrounding area. There is also no evidence of animal life since all the land is either developed or paved.

9. **Other Public Agencies Whose Approval is Required** *(e.g., permits, financing approval, or participation agreement)*:

None.
II. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below (X) would be potentially affected by this project, involving at least one impact that is a Potentially Significant Impact as indicated by the checklist on the following pages.

<table>
<thead>
<tr>
<th>Aesthetics</th>
<th>X</th>
<th>Hazards &amp; Hazardous Materials</th>
<th>Public Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Resources</td>
<td></td>
<td>Hydrology/Water Quality</td>
<td>Recreation</td>
</tr>
<tr>
<td>Air Quality</td>
<td></td>
<td>Land Use/Planning</td>
<td>X Transportation/Traffic</td>
</tr>
<tr>
<td>Biological Resources</td>
<td></td>
<td>Mineral Resources</td>
<td>Utilities/Service Systems</td>
</tr>
<tr>
<td>Cultural Resources</td>
<td>X</td>
<td>Noise</td>
<td>Mandatory Findings of Significance</td>
</tr>
<tr>
<td>Geology/Soils</td>
<td></td>
<td>Population/Housing</td>
<td></td>
</tr>
</tbody>
</table>

III. DETERMINATION:

On the basis of this Initial Study of Environmental Impact, the Planning Commission of the City of El Segundo finds the following:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

| X |

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

I find that the proposed project MAY have a "potential significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

James M. Hansen
Director of Community, Economic and Development Services; and,
Secretary of the Planning Commission
City of El Segundo

February 12, 2001
Date
IV. EVALUATION OF ENVIRONMENTAL IMPACTS

1) A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g. the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.

3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.

4) “Negative Declaration: Potentially Significant Unless Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section 17, “Earlier Analysis,” may be cross-referenced).

5) Earlier analysis may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063 (c) (3) (d). In this case, a brief discussion should identify the following:

   (a) Earlier Analysis Used. Identify and state where they are available for review.

   (b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.

   (c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.

9) The analysis of each issue should identify: (a) the significance criteria or threshold used to evaluate each question; and (b) the mitigation measure identified, if any, to reduce the impact to less than significance.
### 1. AESTHETICS. Would the project:

<table>
<thead>
<tr>
<th>a) Have a substantial adverse effect on a scenic vista?</th>
<th>Potentially Significant Impact</th>
<th>Less than Significant Impact</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Substantially damage scenic resources, including, but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>c) Substantially degrade the existing visual character or quality of the site and its surroundings?</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

A project-related significant adverse effect could occur if the project were to introduce incompatible visual elements within a field of view containing a scenic vista. However, the proposed project site is located in a developed commercial area within the City of El Segundo. No scenic vistas currently exist in this area. No impacts related to scenic vistas would occur.

A project-related significant adverse effect could occur if the project were to introduce incompatible visual elements on the project site or visual elements which would be incompatible with the character of the area surrounding the project site. The proposed replace the existing 12-story vacant office building with a 6-story office building. The exterior of the existing building would be upgraded and designed to be compatible with the adjacent 896 North Sepulveda Boulevard building. The appearance of the existing parking structure would not change under the proposed project. The proposed project would be located in an area of the City of El Segundo characterized by similar, predominantly commercial, land uses, along with similar building height and mass. The proposed project would be visually compatible with the appearance of the commercial corridor located along Sepulveda Boulevard. No impacts related to visual compatibility would occur.

A project-related significant adverse effect could occur if the project were to introduce new sources of light or glare on the project site which would be incompatible with the areas surrounding the project site or which would pose a safety hazard to motorists utilizing adjacent streets. The existing vacant office building would be demolished and replaced with a 6-story building, which will include new sources of light. Thus, the proposed project could incrementally increase lighting levels within the project site. However, as a major commercial corridor in this area of El Segundo, existing ambient lighting levels along Sepulveda Boulevard are already relatively high. Thus any increase in lighting, which may occur under the proposed project, would not likely be perceptible. In addition, although traffic levels would increase somewhat under the proposed project, increased light generation from headlights would likely not be perceptible because of existing high traffic volumes on Sepulveda Boulevard. Under the proposed project, existing levels of light and glare generation would not be expected to change substantially from current conditions. No new hazards from lighting or glare would be introduced. Impacts would be less than significant.

No mitigation is required.

### 2. AGRICULTURE RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project?

<table>
<thead>
<tr>
<th>a) Convert Prime Farmland, Unique Farmland or Farmland of Statewide Importance (Farmlandu), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non-agricultural use?</th>
<th>Potentially Significant Impact</th>
<th>Less than Significant Impact</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?</th>
<th>Potentially Significant Impact</th>
<th>Less than Significant Impact</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
</table>

| | | | | |
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potential Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

A significant impact may occur if the proposed project were to result in the conversion of state-designated agricultural land from agricultural use to another non-agricultural use. The California Department of Conservation, Division of Land Protection, lists Prime Farmland, Unique Farmland, and Farmland of Statewide Importance under the general category of "Important Farmland." The Extent of Important Farmland Map Coverage maintained by the Division of Land Protection indicates that the project site is not included in the Important Farmland category.² The proposed project site has been developed for its current office uses since 1966. The project site is located in a developed commercial corridor in the City of El Segundo and does not include any state-designated agricultural lands. No impact on farmland or agricultural resources would occur. The proposed project is located in the Corporate Office (CO) Zone. Therefore, it will not convert any farmland or otherwise affect any farmland. There is no Williamson Act contracted land in the City of El Segundo.

### 3. AIR QUALITY:
Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

| a) Conflict with or obstruct implementation of the applicable air quality plan? | X |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation. | X |
| c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | X |
| d) Expose sensitive receptors to substantial pollutant concentrations? | X |
| e) Create objectionable odors affecting a substantial number of people? | X |

A significant impact may occur if the project is not consistent with the applicable Air Quality Management Plan (AQMP) or would in some way represent a substantial hindrance to employing the policies or obtaining the goals of that plan. The City of El Segundo is located on the western edge of the South Coast Air Basin (Basin), within the jurisdiction of the South Coast Air Quality Management District (SCAQMD). SCAQMD has adopted criteria for consistency with regional plans and the regional AQMP in its CEQA Air Quality Handbook (Handbook). These include: 1) identifying whether the project would increase frequency or severity of existing air quality violations or cause or contribute to new air quality violations, and 2) identifying whether the project would exceed the assumptions utilized in preparing the AQMP. A significant impact may occur if a project is inconsistent with the growth assumptions upon which the regional AQMP was based. The most current version of the AQMP was adopted in 1997 and was based upon population, housing and employment growth projections adopted by the Southern California Association of Governments (SCAG).

The proposed project consists of approximately 120,610 square feet of office space. The proposed project site would result in employment growth within a plan-designated corporate office area (see Section 12). The SCAG projections for the City of El Segundo are based upon adopted City plans, and the proposed project is consistent with adopted City plans. Therefore, the project-generated employment would be within SCAG and AQMP growth projections for the area. The proposed project thus would not be in conflict with nor would it obstruct implementation of the 1997 AQMP. The project would have a less than significant impact with regard to air quality plans.

A significant effect related to air quality could occur if the proposed project were to generate air emissions during construction or operations that could affect sensitive receptors. The South Coast Air Quality Management District (SCAQMD), in its CEQA Air Quality Handbook (SCAQMD Handbook), has established screening thresholds for determining whether a project has the potential to result in significant air quality impacts. According to Table 6-2 of the SCAQMD Handbook, a potentially significant air quality impact may occur if an office project is larger than 139,222 square feet. Since the proposed project would include an office building which would total approximately 120,610 square feet, no significant air quality impacts related to operation of the proposed project would occur. According to Table 6-3 of the SCAQMD Handbook, a potentially significant construction air quality impact could occur if an office project is larger than 559,000 square feet or if demolition exceeded 23,214,000 cubic feet. Demolition volume associated with removal of the existing building would total approximately 1,750,000 cubic feet. Since the proposed project would be smaller than these thresholds, no significant impacts related to construction air quality would occur. Air quality impacts of the proposed project would be below SCAQMD significance thresholds and would be less than significant.

A significant impact related to air movement, moisture, or temperature, or climatic change would occur only if the proposed project were of sufficient size, and included activities or processes that resulted in temperature or humidity changes, that could potentially result in the creation of a "micro-climate" that would have the potential to result in larger scale climatic changes. The proposed project consists of urban development that does not include activities or processes that would have the potential to produce such effects. No impact would occur.

A project-related significant adverse effect could occur if construction or operation of the project would result in generation of odors, which would be perceptible in adjacent sensitive areas. The proposed project would consist of urban development that does not include activities or processes that would generate substantial odors. Moreover, no sensitive uses are presently located adjacent to the existing use. No impact would occur.

The following mitigation measures would minimize the effects of air emissions which could be associated with the proposed project:

MM-1 The applicant shall implement Transportation Demand Management (TDM) programs and adopt Transportation System Management (TSM) plans and provide incentives for the provision of transit support facilities in accordance with SCAQMD and City regulations.

4. BIOLOGICAL RESOURCES. Would the project:
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potential Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>b) Have a substantially adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Wildlife Service?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>d) Interfere substantially with the movement of any resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Conservation Community Plan, other approved local, regional, or state habitat conservation plan?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

A significant impact would occur where the proposed project would remove or modify habitat for any species identified or designated as a candidate, sensitive, or special status species in local or regional plans, policies, or regulation, or by the state or federal regulatory agencies cited. The proposed project site is located in an area, which has been previously disturbed through its construction as a parking structure and as an office building, and is also within the urbanized area of El Segundo. No riparian or other sensitive habitat areas are presently located on or adjacent to the project site. Implementation of the proposed project would not result in any adverse impacts to endangered, threatened, or rare species or their habitats. No impact would occur.

A significant impact would occur where the proposed project would remove or modify habitat for any species identified or designated as a candidate, sensitive, or special status species in local or regional plans, policies, or regulation, or by the state or federal regulatory agencies cited. The proposed project site is located in an area, which has been previously disturbed through its construction as a parking structure and as an office building, and is also within the urbanized area of El Segundo. No riparian or other sensitive habitat areas are presently located on or adjacent to the project site. No locally designated species are found on the proposed project site. Implementation of the proposed project would not result in any adverse impacts to locally designated species. No impact would occur.

A significant impact would occur where riparian habitat or any other sensitive natural community identified locally, regionally, or by the state and federal regulatory agencies cited were to be adversely modified without adequate mitigation. The proposed project site is located in an area, which has been previously disturbed through its construction as a parking structure and as an office building, and is also within the urbanized area of El Segundo. No riparian or other sensitive habitat areas are presently located on or adjacent to the project site. No locally designated species are found on the proposed project site. Implementation of the proposed project would not result in any adverse impacts to locally designated natural communities. No impact would occur.

A significant impact would occur where federally protected wetlands as defined by Section 404 of the Clean Water Act would be modified or removed without adequate mitigation. The proposed project site is located in an area, which has been previously disturbed through its construction as a parking structure and as an office building, and is also within the heavily urbanized area of El Segundo. No riparian or other sensitive habitat areas, such as wetland habitats, are presently located on or adjacent to the project site. Implementation of the proposed project would not result in any adverse impacts to wetland habitats. No impact would occur.
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potential Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
</table>

A significant impact would occur if the proposed project would interfere or remove access to a migratory wildlife corridor or impede the use of native wildlife nursery sites. The proposed project site is located in an area, which has been previously disturbed through its construction as a parking structure and as an office building, and is also within the urbanized area of El Segundo. No wildlife dispersal or migration corridors areas are presently located on or adjacent to the project site. Implementation of the proposed project would not result in any adverse impacts to wildlife dispersal or migration corridors. No impact would occur.

A significant impact may occur if the proposed project used non-renewable resources in a wasteful and inefficient manner. The proposed project represents an urban infill project, which would not result in the consumption of non-renewable resources at a rate greater than any other urban development project in the City of El Segundo or the Southern California region. The land upon which the proposed project would be developed is already in urban development and is planned for development as proposed under the project. No impact would occur.

A significant impact may occur if the proposed project site is located in an area used or available for extraction of a regionally-important mineral resource and the project converted an existing or potential future regionally-important mineral extraction use to another use or if the project affected access to a site used or potentially available for regionally-important mineral resource extraction. The General Plan designation for the project site does not identify the project site as a potential location for future mineral resource recovery. The proposed project site has never been used for mineral resource recovery. There would be no impact to the loss of availability of a known mineral resource. There are no known rare, unique or endangered plant or animal species associated with the proposed project or within the immediate vicinity. The property was previously developed with industrial buildings from the mid-1950's until 1999. The site was cleared and graded in 1999. As a result, there are no rare or endangered plant species on the property. Therefore, the proposed project will not produce significant changes to the number of rare or endangered plant species in the project area (including trees, shrubs, grass, crops, and micro flora) nor would it impact wetlands, migratory corridors, or conservation plans.

### 5. CULTURAL RESOURCES. Would the project:

<table>
<thead>
<tr>
<th>(a) Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Cause a substantial adverse change in the significance of an archaeological resources pursuant to Section 15064.5?</td>
<td>X</td>
</tr>
<tr>
<td>(c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?</td>
<td>X</td>
</tr>
<tr>
<td>(d) Disturb any human remains, including those interred outside of formal cemeteries?</td>
<td>X</td>
</tr>
</tbody>
</table>

A significant impact may occur if grading or excavation activities associated with the proposed project would disturb paleontological resources or geologic features which presently exist within the project site. No unique geologic features currently exist within the project site, which has been previously disturbed through its construction as an office building and surface parking lot. Limited grading would be associated for the construction of the proposed project. No impacts to paleontological resources would occur.

While there is no evidence that paleontological resources are located on the project site, there is still the possibility that the construction phase of the proposed office building could encounter paleontological resources, which in turn could result in potentially significant paleontological resource impacts. However, provided the mitigation measure listed below is implemented, the project would not have any potential to cause a substantial adverse change in significant paleontological resources.

A significant impact may occur if grading or excavation activities associated with the proposed project would disturb archaeological resources or geologic features which presently exist within the project site. No unique geologic features currently exist within the project site, which has been previously disturbed through its construction as an office building and surface parking lot. While there is no evidence that archaeological resources are located on the project site, there is...
still the possibility that the construction phase of the project office building could encounter archaeological resources, which in turn could result in potentially significant archaeological resources impacts. However, provided the mitigation measure listed below is implemented, the proposed project would not have any potential to cause a substantial adverse change in significant archaeological resources.

Section 15064.5 of the State CEQA Guidelines defines an historical resource as: (1) a resource listed in or determined to be eligible by the State Historical Resources Commission, for listing in the California Register of Historical Resources; (2) a resource listed in a local register of historical resources or identified as significant in an historical resource survey meeting certain state guidelines; or (3) an object, building, structure, site, area, place, record or manuscript which a lead agency determines to be significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military or cultural annals of California, provided that the lead agency's determination is supported by substantial evidence in light of the whole record. A project-related significant adverse effect could occur if the proposed project would adversely affect an historical resource meeting one of these definitions. Currently the proposed project site is developed with an office building, which was constructed in the 1960's. No buildings presently listed in, or identified as eligible for listing in, the California Register of Historical Resources are located on the project site. Similarly no resources listed in a local register of historical resources or within a historical resources survey are located within the project site. Finally, none of the existing structures have ever contributed to the architectural, engineering, scientific, economic, agricultural, educational, social, political, military or cultural annals of California. The project would thus not have any potential to affect significant historical resources as defined in Section 15064.5.

A significant impact may occur if a proposed project was located in an area where it could cause a physical change, which would affect a unique ethnic community or culture. The proposed project site is located in an urbanized area of the City of El Segundo, which does not have cultural or ethnic significance. No impacts would occur.

A significant impact may occur if a proposed project was located in an area where it could impact religious or sacred uses. The proposed project site is located in an urbanized area of the City of El Segundo, which does not have religious or sacred significance. No impacts would occur.

However, provided the mitigation measure listed below is implemented, the proposed project would not have any potential to cause a substantial adverse change in significant paleontological and archaeological resources.

**MM-2** In the event that paleontological or archaeological resources are encountered during the course of grading, all development must cease in these areas until the paleontological or archaeological resources are properly assessed and subsequent recommendations are determined by a qualified paleontologist or archaeological.

### 6. GEOLOGY AND SOILS. Would the project:

**a)** Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving:

(i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.

(ii) Strong seismic ground shaking?

(iii) Seismic-related ground failure, including liquefaction?

(iv) Landslides?

**b)** Result in substantial soil erosion or the loss of topsoil?

**c)** Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potential Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**d)** Be located on expansive soil, as defined in Table 18-a-B of the Uniform Building Code (1994), creating substantial risks to life or property?  

**e)** Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?  

A significant impact may occur if a project site is located within a state-designated Alquist-Priolo Zone or other designated fault zone, and appropriate building practices are not employed. The project site is located in the vicinity of the Newport-Inglewood Fault Zone and the Elysian Thrust Fault Zone (see Environmental and Public Facilities Maps: Alquist-Priolo Special Study Zones and Fault Rupture Study Areas in the City of Los Angeles)\(^2\). The Newport-Inglewood Fault Zone is 75 km in length with a probable magnitude of 6.5-7.4. The potentially active Elysian Thrust Fault Zone is 34 km in length with a probable magnitude of 6.7. The project will be required to comply with current codes which reduce seismic risks to an acceptable level; thus, the proposed project will have a less than significant impact with regard to fault rupture.

A significant impact may occur if a proposed project represents an increased risk to public safety or destruction of property by exposing people, property or infrastructure to seismically induced ground shaking hazards that are greater than the average risk associated with locations in the Southern California region. As with all properties in the seismically active Southern California region, the project site is susceptible to ground shaking during a seismic event. Potential impacts from seismic ground shaking are present throughout Southern California and would be of comparable intensity at the project site as it would be for large parts of the City of El Segundo and the region. The project will be required to comply with existing codes which reduce seismic risks to an acceptable level; thus, the proposed project will have a less than significant impact with regard to seismic ground shaking. Impacts would be less than significant.

A significant impact may occur if a proposed project is located in an area identified as having a high risk of liquefaction and mitigation measures required within such designated areas are not incorporated into the project. Liquefaction is a condition where the soil undergoes continued deformation at a constant low residual stress due to the build-up of high porewater pressures. The possibility of liquefaction occurring at a given site is dependant upon the occurrence of a significant earthquake in the vicinity, sufficient groundwater to cause high pore pressures, and on the grain size, relative density, and confining pressures of the soil at the site. The regional groundwater is approximately 110 feet below ground surface in the vicinity of the proposed project site. The proposed project site is located in a zone of the City that is considered to have a low potential for liquefaction based upon on-site soil types and topographic and subsurface conditions.\(^3\) There would be a less than significant impact involving seismic ground failure, including liquefaction.

A significant impact may occur if the proposed project site was sufficiently close to the ocean to be potentially at risk of the effects of seismically induced tidal phenomena (seiche and tsunami). The proposed project site is located approximately two miles from Santa Monica Bay and the Pacific Ocean. The coastal portion of the City and adjacent portions of the City of Los Angeles are identified by the State as tsunami hazard areas, and as a result, there is the potential for damage to Edison and Chevron facilities, and the Hyperion Treatment Plant. However, the residential portions of the City and the proposed project site are located above the potential hazard area and are not at high risk. There are no volcanic hazards within the proposed project area or region. Impacts involving seiche, tsunami, or volcanic hazards would be less than significant.

A significant impact may occur if the proposed project site were located in a hillside area with soil conditions that would suggest high potential for sliding. The proposed project site is not located in a hillside area and therefore would not be subject to potential landslide conditions.

---

\(^2\) *The City of Los Angeles Environmental and Public Facilities Maps (September 1, 1996)* are available for review during normal business hours at the City of El Segundo Community, Economic and Development Services Department, 350 Main Street, El Segundo, CA 90245.

\(^3\) *Phase I Environmental Assessment, McLaren/Hart Inc.*
A significant impact may occur if the proposed project site would expose large areas to the erosional effects of wind or water for a long period of time. The proposed project area is highly developed and the project site is entirely paved. The potential for substantial erosion or changes in topography would therefore not be present under the proposed project. No impact would occur.

A significant impact may occur if the proposed project would cause subsidence of the land. The proposed project site is completely paved and developed. The proposed project would involve the demolition of the existing office building; no major site preparation activities would be required. No withdrawals of subsurface fluids, which could potentially cause subsidence, would be associated with the proposed project. In addition, the regional groundwater is approximately 110 feet below the ground surface of the vicinity of the proposed project site. No impact would occur.

A significant impact may occur if the proposed project would be built in an area characterized by expansive soils or other unstable soil conditions without proper site preparation or design features to provide adequate foundations for project buildings, thus posing a hazard to life and property. The proposed project site is characterized as having groundwater tables underlain by sand dune formations. Construction must comply with the City of El Segundo Uniform Building Code, which is designed to assure safe construction, including building foundation requirements appropriate to site conditions. Therefore, the proposed project will have less than significant impacts involving expansive soils.

A significant impact may occur if the proposed project site or immediate surrounding area contained unique geological or physical features. The proposed project site is located in an area which has been previously disturbed through its construction as an office building and parking structure, and is also within the urbanized area of El Segundo. There are no unique geologic or physical features in the area. No impact would occur.

With incorporation of the mitigation measures listed below, impacts would be less than significant.

MM-3 The City development shall conform to the California Building Code.

<table>
<thead>
<tr>
<th>7. HAZARDS AND HAZARDOUS MATERIALS. Would the project?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Create a significant hazard to the public or the environment through the routine transport, use or disposal of hazardous materials?</td>
</tr>
<tr>
<td>b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment?</td>
</tr>
<tr>
<td>c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an exiting or proposed school?</td>
</tr>
<tr>
<td>d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result would it create a significant hazard to the public or the environment?</td>
</tr>
<tr>
<td>e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?</td>
</tr>
</tbody>
</table>

---

4 *Phase I Environmental Assessment, McLaren/Hart Inc.*

5 *El Segundo General Plan, 1992.*
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>g) Impair implementation of, or physically interfere with an adopted emergency response plan or emergency evacuation plan?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

A significant impact may occur if a proposed project utilizes substantial quantities of hazardous materials as part of its routine operations and could potentially pose a hazard to nearby sensitive receptors under accident or upset conditions. The proposed project would use, at most, minimal amounts of hazardous materials for routine office cleaning and landscaping and therefore would not pose any substantial potential for accident conditions involving the release of hazardous materials. No impact would occur.

A significant impact may occur if the proposed project were to interfere with roadway operations used in conjunction with an emergency response plan or emergency evacuation plan or would generate sufficient traffic to create traffic congestion that would interfere with the execution of such a plan. Construction of the proposed project would not substantially impede public access or travel upon public rights-of-way and would not interfere with any adopted emergency response plan or emergency evacuation plan. Project impacts to area traffic would have no significant impacts on nearby roadways or intersections (see Section 15, below). In addition, the proposed project would generate less daily trips than the existing office building if it were to be re-occupied due to the reduction in square footage from 140,000 square feet to 120,610 square feet. The traffic circulation on-site would also remain the same. The proposed project would not interfere with an emergency response plan or emergency evacuation plan. No impact would occur. The proposed project would not interfere with an emergency response plan or emergency evacuation plan. No impact would occur.

A significant impact may occur if a proposed project involves use or disposal of hazardous materials as part of its routine operations and would have the potential to generate toxic or otherwise hazardous emissions that could adversely affect sensitive receptors. Uses sensitive to hazardous emissions (i.e., sensitive receptors) in the area include some residential apartments, located to the west of the property.

A significant impact may occur if a proposed project involved the exposure of people to existing sources of potential health hazards. Based on a Phase I Environmental Site Assessment prepared for the project site by McLaren/Hart, Inc., potential sources and conditions related to hazardous materials were found. A four-foot by nine-foot waste oil stained area and several containers of waste oil (opened and closed) were observed in the southeast corner of the proposed project site. In addition, Asbestos Containing Materials (ACM) was found to be contained in the existing structure. Non-friable asbestos was identified in the vinyl floor tile; floor tile mastic, roof tar patch, roof tar, and joint compound materials. Furthermore, since the construction of the existing office building began in 1964 it is likely that a lead-based paint was used.

A significant impact may occur if a proposed project increased fire hazards in areas with flammable brush, grass, or trees. The proposed project site is located in an urbanized portion of the City of El Segundo that does not include wildlands or high fire hazard terrain or vegetation. All areas of the project site are paved and developed. No impact would occur on increased fire hazards.

The existing 12-story office building would be demolished. The likely method of demolition is a floor-by-floor demolition with a wrecking ball. An alternative method being considered is implosion of the existing building. Either method could result in hazards from falling debris. Potential impacts can be mitigated through the implementation of a Demolition Safety Plan in accordance with applicable CAL/OSHA regulations.

With incorporation of the mitigation measures listed below, impacts would be less than significant on exposure of people to existing sources of potential health hazards.
### Issues and Supporting Information

| MM-4 | Prior to any demolition, all identified ACM shall be removed in accordance with all federal, state, SCAQMD and local regulations by an asbestos abatement contractor who is certified by and registered CAL/OSHA for removal of asbestos. If any suspect asbestos containing materials not previously identified are encountered during demolition, these materials would be required to be sampled by a qualified person and analyzed by an accredited laboratory. If these materials are confirmed as ACMs, they shall be removed and disposed of in accordance with applicable regulations. |
| MM-5 | All debris shall be cleared, including waste oil and waste oil impacted materials, from the southeastern corner of the proposed project site. All removed material shall be handled and disposed of in accordance with applicable regulations. |
| MM-6 | Prior to issuance of a demolition permit, the applicant shall submit a demolition safety plan for review and approval by the Department of Community, Economic and Development Services which demonstrates that the chosen method of demolition will be in accordance with all applicable federal, state, and local regulations. |

### 8. HYDROLOGY AND WATER QUALITY. Would the project:

a) Violate any water quality standards or waste discharge requirements?  

b) Substantially degrade groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?  

c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?  

d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or surface runoff in a manner which would result in flooding on- or off site?  

e) Create or contribute runoff which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?  

f) Otherwise substantially degrade water quality?  

g) Place housing within a 100-year floodplain, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?  

h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?  

i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?  

j) Inundation by seiche, tsunami, or mudflow?  

A significant impact may occur if the proposed project resulted in increased runoff volumes during construction or operation of the project, which would result in flooding conditions affecting the project site or nearby properties. No stream or river courses are currently located in the vicinity of the project site. The proposed project would reduce the amount of impervious surface on the project site because it will replace existing paved and developed surfaces within the
project site with urban landscaping. The proposed project would increase the quality, quantity and variety of plant material and landscape currently at the site. While the proposed project site at present is occupied virtually in its entirety by buildings or paved surfaces, the proposed project would include approximately 14,000 square feet of landscaped area. Therefore, the proposed project would not generate any additional storm water runoff to the storm drain system and would likely reduce storm water runoff to the storm drain system. Impacts would be less than significant.

A significant impact may occur if the proposed project resulted in exposure of people or property to water related hazards such as flooding. The proposed project is located within Flood Hazard Zone C of the National Flood Insurance Program (i.e., not at risk of a 100-year or 500-year flood) and there are no major dams or waterways located near proposed project site. No impact would occur.

A significant impact may occur if the proposed project included potential sources of water pollutants, which would have the potential to degrade water quality. During construction of the proposed project, demolition of the existing 12-story office building would take place and the proposed project site could be exposed to precipitation, which could increase runoff of eroded materials. The project will be required to comply with the applicable regulations of the General Construction Activity Storm Water Permit issued by the Los Angeles Regional Water Quality Control Board and administered by the Los Angeles County Department of Public Works and the City of El Segundo. However, by incorporating the relevant Best Management Practices (BMPs) set forth in this permit for erosion control into the project construction process, impacts on water quality from construction runoff would be limited. With implementation of the mitigation measures set forth below, impacts of the proposed project related to construction runoff would be less than significant.

During operations, the proposed project would use, at most, minimal amounts of hazardous materials for routine office cleaning and landscaping. Vehicular activities associated with the proposed project could result in the deposition of materials within the parking structure and on surrounding roadways would have the potential to contribute metals, oil and grease, solvents, hydrocarbons and suspended solids to storm water runoff. The proposed project would be subject to design criteria set forth in the Standard Urban Storm Water Mitigation Plan for Los Angeles County and cities in Los Angeles County, as administered by the City of El Segundo and the County of Los Angeles. These design measures would minimize the conveyance of pollutants in storm water runoff. Therefore, with implementation of the mitigation measures set forth below, the proposed project would not substantially degrade water quality.

A significant impact may occur if the proposed project resulted in changes in the amount of surface water in any water body. The proposed project would involve the demolition of the 12-story existing office building and the development of a new 6-story office building in a densely developed portion of the City of El Segundo. The amount of impervious surface within the project site would be decreased with the construction of new landscaped areas under the either project scenario. There would be no alterations to the amount of surface water as the nearest body of water is two miles away, the Santa Monica Bay and the Pacific Ocean. No impact would occur.

A significant impact may occur if the proposed project resulted in changes in currents, or the course or direction of water movements. The proposed project would involve the demolition of the 12-story existing office building and the development of a new 6-story office building in a densely developed portion of the City of El Segundo. There would be no changes in currents, or the course or direction of water movements as the nearest body of water is two miles away, the Santa Monica Bay and the Pacific Ocean as a result of either scenario. No impact would occur.

A significant impact may occur if a proposed project included deep excavations which had the potential to interfere with groundwater movement or included withdrawal of groundwater or paving of existing permeable surfaces important to groundwater recharge. The proposed project site is presently covered entirely with impermeable surface (i.e., structures, concrete and asphalt). The proposed project under either scenario would increase the amount of permeable surfaces through increased landscaped area and would not include any excavation. Therefore, the proposed project would have no effect on groundwater quality or recharge.

A significant impact may occur if a proposed project included deep excavations, which had the potential to interfere with groundwater movement. The proposed project site is covered entirely with impermeable surface (i.e., structures, concrete and asphalt). No excavations would be included in the proposed project. The proposed project would not result in altered direction of groundwater flows. No impact would occur.
A significant impact may occur if the proposed project includes potential sources of water pollutants that would have the potential to substantially degrade water quality. The proposed project would use, at most, minimal amounts of hazardous materials for routine office cleaning and landscaping; the proposed project does not include other potential sources of contaminants, which could potentially degrade water quality. Therefore, the proposed project would not degrade water quality. No impact would occur.

A significant impact may occur if the proposed project included deep excavations, which had the potential to substantially reduce the amount of groundwater otherwise available for public water supplies. The proposed project site would not include any subsurface excavation. Thus, the proposed project would not substantially reduce the amount of groundwater, which would otherwise be available for public water supplies. No impact would occur.

Impacts would be less than significant with mitigation measures incorporated.

MM-7 The project applicant shall ensure that an effective erosion control program is in place throughout the demolition and site preparation phases of the project.

MM-8 The project applicant shall provide perimeter retainage around the site to minimize sediment runoff to the storm drain system.

MM-9 The project applicant shall install fossil filters or other fuel/oil separators at all parking structure storm drain collectors.

MM-10 Landscape design shall maximize rainwater detention in landscaped areas.

MM-11 The project applicant shall incorporate all applicable design measures set forth in the Standard Urban Storm Water Mitigation Plan for Los Angeles County and Cities in Los Angeles County.

9. LAND USE AND PLANNING. Would the project:

a) Physically divide an established community? X

b) Conflict with an applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? X

c) Conflict with any applicable habitat conservation plan or natural communities conservation plan? X

A significant impact may occur if the proposed project is inconsistent with the General Plan or zoning designations currently applicable to the project site and would cause adverse environmental effects, which the General Plan and zoning ordinance are designed to avoid or mitigate. The project site is located within the City of El Segundo. The El Segundo Municipal Code, a part of the General Plan of the City of El Segundo, designates the project site as “Corporate Office” and the site’s zoning is CO.

The CO Zone permits general office use. The proposed project exceeds the parking regulation required for parking at four parking spaces per 1,000 square feet, compared to the City’s requirement of 2.7 parking spaces per 1,000 square feet. This project will meet all development regulation and standards required with the exception of the floor area ratio (FAR) requirement. The current FAR limitation applicable to the project site is 0.80 and the proposed development would require 1.086 FAR. The applicant is requesting an amendment to the General Plan for this specific project site to permit the requested FAR. Additionally, the property owner, Legacy Partners, is requesting an exception to the loading dock requirements from three (13 feet by 50 feet) loading docks to two (13 feet by 30 feet) loading docks. This is due to the
limited amount of surface area available on site and the ability of two office buildings to share the loading docks (this includes the adjacent office building at 898 N Sepulveda Boulevard to the north). Approval of a General Plan Amendment and Development Agreement for the additional square footage and the loading dock exception is required. If the City approves the General Plan Amendment and Development Agreement, there would be no impact on the general plan designation or zoning. A less than significant impact would occur.

Under an existing Administrative Use Permit, the existing Park-and-Ride operation is currently temporarily allowed as long as the 888 N Sepulveda Boulevard building remains vacant. Under the proposed Development Agreement, the Park-and-Ride would be permanently discontinued. A less than significant impact would occur.

A project-related significant adverse effect could occur if the proposed project site were located within an area governed by a habitat conservation plan or natural community conservation plan. The project site and its vicinity are not part of any draft or adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan. The project site is located in an area, which has been previously disturbed through the construction of a parking structure and an office building, and is also within an urbanized area of El Segundo. No project impact to any adopted habitat or conservation plans would occur. No impact would occur.

A significant impact may occur if a proposed project would be incompatible with adjacent sensitive land uses (i.e., residential). The proposed new office building would be compatible and integrate with the recently completed 898 North Sepulveda Boulevard office building. Similar materials, finishes and landscaping will be used on the proposed project site. This includes using similar aqua blue-green medium performance glass, metal accents in the canopy and the mullion system, and similar colored concrete and limestone composite materials at the base of the building and in the lobby. In addition, the proposed project would be consistent with surrounding commercial and office developments in the area. No residential uses are located in the immediate vicinity of the proposed project site. No impact to sensitive land uses would occur.

10. MINERAL RESOURCES. Would the project:
    a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? X
    b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? X

A significant impact may occur if the proposed project used non-renewable resources in a wasteful and inefficient manner. The proposed project represents an urban infill project, which would not result in the consumption of non-renewable resources at a rate greater than any other urban development project in the City of El Segundo or the Southern California region. The land upon which the proposed project would be developed is already in urban development and is designated in the General Plan for development as proposed under the project. No impact would occur.

A significant impact may occur if the proposed project site is located in an area used or available for extraction of a regionally-important mineral resource and the project converted an existing or potential future regionally-important mineral extraction use to another use or if the project affected access to a site used or potentially available for regionally-important mineral resource extraction. The General Plan designation for the project site does not identify the project site as a potential location for future mineral resource recovery. The proposed project site has never been used for mineral resource recovery. There would be no impact to the loss of availability of a known mineral resource.

11. NOISE. Would the project result in:
    a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? X
    b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? X
## Issues and Supporting Information

<table>
<thead>
<tr>
<th>c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?</th>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>d) A substantially temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) For a project located within an airport land use plan, or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

A noise impact analysis was conducted for the proposed project by Terry A. Hayes Associates (October 2000), which examined the potential noise impacts of operational noise sources (stationary and mobile) for both scenarios on surrounding noise sensitive receptor locations.

The basic unit of measurement for sound is the decibel (dB). To better account for human sensitivity to sound, decibels are measured on the "A-weighted" scale, abbreviated dBA. On this scale, the range of human hearing extends from approximately 3 to 140 dBA. The smallest perceptible sound level change is about 3 dBA, while a 10 dBA increase is perceived by most people as a doubling of the sound level.

The proposed project site is located in an urban developed environment. The existing noise environment is characterized by the mix of land uses within it, which includes commercial developments, residences and the Los Angeles International Airport (LAX). The project site is outside the 65 dBA noise contour of LAX. The primary source of noise in the vicinity of the project site is vehicular noise on Sepulveda Boulevard.

The criteria for determination of a significant noise impact are set forth in the City of El Segundo Noise Ordinance\(^6\). A project would normally have a significant operational noise impact if the project causes the ambient noise level measured at the property line of affected uses to increase by 5 dBA in Community Equivalent Noise Level (CNEL) above the accepted ambient noise level of 65 dBA CNEL. CNEL is a 24-hour weighted noise measurement, in which noise during evening and nighttime hours is given an increased weight to account for increased sensitivity to noise during those hours. For the proposed project, the predominant noise source is anticipated to be additional vehicular traffic. The greatest impacts would occur at sensitive receptors located on or near Sepulveda Boulevard. The two closest such receptors are: (1) LAX Travelodge Hotel at 1804 East Sycamore Avenue, located approximately 175 feet southwest of the project site; and (2) a residence located at 1754 East Sycamore Avenue, located approximately 300 feet southwest of the project site. The resulting noise levels, with the addition of project-related traffic from either scenario, would increase by no more than 1 dBA, which would be imperceptible and less than the City Noise Ordinance standard of 5 dBA. Operational noise impacts would be less than significant.

The noise study conducted for the proposed project examined the potential for severe noise levels to be generated during project construction. Construction activities would require the use of numerous noise-generating types of equipment such as jack hammers, pneumatic impact equipment, saws and tractors, which generate noise levels ranging on average from 78 to 89 dBA. To ascertain worst-case noise impacts at sensitive receptor locations, construction noise was modeled by introducing the noise level associated with the finishing phase of a typical development project, generating a noise level of 89 dBA at a reference distance of 50 feet. Based on this analysis, construction activities would add less than 4 dBA to ambient noise conditions at each sensitive receptor location. This increase would be less than the City significance threshold of 5 dBA. Construction noise impacts would be less than significant.

The noise study also reviewed the potential impact of noise associated with Los Angeles International Airport on the interior noise levels that would be experienced inside the office building. According to the study, an acceptable interior

---

\(^6\) El Segundo Municipal Code Section 9.06.040.
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potential Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
</table>

Noise level for an office is approximately 45dBA, which is consistent with state standards for multi-family residential development. Based on the proposed construction materials to be used in the office, the study concluded that the interior noise level would be approximately 30dBA. Based on this analysis, no impact would occur.

#### 12. POPULATION AND HOUSING. Would the project:

- a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?
  - X

- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
  - X

- c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?
  - X

A significant impact may occur if the proposed project cumulatively exceeded the official regional or local population projections. The City of El Segundo's General Plan Objective ED1-1, Policy ED1-1.1, to maintain economic development as one of the City's and the business and residential communities' top priorities, would be implemented through the development of the proposed project. The proposed office development would create jobs, expand business, and create additional revenue for the City. The proposed project would not include residential development and would not include permanent population growth in the City. Therefore, the proposed project would not exceed official regional or local population projections. No impact would occur.

A significant impact may occur if a proposed project were to locate new development such as homes, businesses or infrastructure, with the effect of substantially inducing growth that would otherwise not have occurred as rapidly or in as great a magnitude. The proposed project is located in an urbanized area, with all major urban infrastructure systems already in place. The project would fit into the existing pattern of development in this area of the City. Under this project, the existing 12-story, 140,000 square foot office building would be replaced with a 6-story, 120,610 square foot office building. Therefore, the proposed project would not induce substantial growth be developing a project in an undeveloped area or extension of major infrastructure. No impact would occur.

A significant impact may occur if a proposed project would result in displacement of existing housing units, necessitating construction of replacement housing elsewhere. The proposed project would involve the replacement of an existing 12-story office building with a 6-story, 120,610 square foot office building. The proposed project would not displace existing housing, because no residential uses are presently associated with the proposed project site. No impact would occur.

#### 13. PUBLIC SERVICES. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities, need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

- a) Fire protection?
  - X

- b) Police protection?
  - X

- c) Schools?
  - X

- d) Parks?
  - X

- e) Other public facilities?
  - X

A significant impact may occur if the City of El Segundo Fire Department (ESFD) could not adequately serve the proposed project based upon response time, access or fire hydrant/water availability. The proposed project site is served by two fire stations; the Headquarters Station, located at 314 Main Street and Station 2, located at 2161 East El Segundo Boulevard. Headquarter Station has two engine companies and a rescue team. Station 2 has an engine company,
Adequate water is available to the site, as discussed below in Section 8. Furthermore, the minimum required fire flow has been met. The Fire Department requires approximately 25 gallons per minute (gpm) or 20 pounds per square inch (psi). The Public Works Department has stated that the proposed project site has a water pressure of 90-95 psi.

A significant impact may occur if a proposed project resulted in an increase in demand for police services that would exceed the capacity of the police department responsible for serving the site. Police service for the proposed project site is provided by the El Segundo Police Department (ESPD), which is located at 348 Main Street, in the City of El Segundo. Table 12 shows a three-year summary of crime statistics for the City of El Segundo. The proposed project would increase on-site population, which could generate a demand for additional security. The extent of additional protection needed would vary in accordance with the type of use and expected number of visitors and employees on-site. However, ESPD has indicated the existing staffing and equipment levels are adequate to accommodate the proposed project. Therefore, the proposed project would have less than significant impacts on police service.

Table 12
Crime Comparison for the City of El Segundo

<table>
<thead>
<tr>
<th>Crime Type</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>1998/1999 Comparison (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murder</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rape</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>+100</td>
</tr>
<tr>
<td>Robbery</td>
<td>23</td>
<td>26</td>
<td>25</td>
<td>-3.8</td>
</tr>
<tr>
<td>Assaults</td>
<td>27</td>
<td>33</td>
<td>8</td>
<td>-75.7</td>
</tr>
<tr>
<td>Residential Burglary</td>
<td>48</td>
<td>35</td>
<td>29</td>
<td>-17.1</td>
</tr>
<tr>
<td>Commercial Burglary</td>
<td>90</td>
<td>89</td>
<td>75</td>
<td>-15.7</td>
</tr>
<tr>
<td>Auto Burglary</td>
<td>303</td>
<td>192</td>
<td>203</td>
<td>+5.7</td>
</tr>
<tr>
<td>Theft</td>
<td>289</td>
<td>335</td>
<td>287</td>
<td>-14.3</td>
</tr>
<tr>
<td>Auto Theft</td>
<td>116</td>
<td>147</td>
<td>120</td>
<td>-18.3</td>
</tr>
<tr>
<td>Total</td>
<td>897</td>
<td>858</td>
<td>749</td>
<td>-12.7</td>
</tr>
</tbody>
</table>

City of El Segundo Police Department

---

7 Email, Robert Nolan, October 6, 2000.

8 Ibid

9 El Segundo Police Department, Laurie Risk, correspondence, October 16, 2000.

10 Ibid.
### Issues and Supporting Information

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
</table>

A significant impact may occur if a proposed project includes substantial employment or population growth, which could generate demand for school facilities that exceeds the capacity of the school district(s) responsible for serving the project site. The proposed project involves the demolition of an existing 140,000 square foot 12-story office building and development of an approximately 120,610 square foot 6-story office building. The City of El Segundo General Plan describes the City as an employment-led community. In addition, as no residential units are proposed, the proposed project would not result in an increase in permanent population, which could impact public schools administered by the El Segundo Unified School District. Therefore, the proposed project would not result in a significant indirect increase in permanent residential population, which could affect local schools. No impact on schools would occur.

A significant impact may occur if a proposed project includes substantial employment or population growth, which could generate a demand for new or altered government service. The proposed project involves the demolition of an existing 140,000 square foot 12-story office building and construction of a 120,610 square foot 6-story office building; no residential development is proposed as a part of the proposed project. The proposed project therefore would not increase permanent residential population within the City of El Segundo. With no increase of permanent residential population created by the proposed project there would not be a significant increase in the demand for public facilities, including roads. No impact would occur.

A significant impact may occur if a proposed project includes substantial employment or population growth, which could generate a demand for other public facilities (such as libraries), which exceeds the capacity available to serve the project site. As detailed above, the project involves the demolition of an existing 140,000 square foot 12-story office building and construction of a 120,610 square foot 6-story office building; no residential development is proposed as a part of the proposed project. The proposed project therefore would not increase permanent residential population within the City of El Segundo. With no increase of permanent residential population created by the proposed project there would not be a significant increase in the demand for government services. No impact would occur.

While significant impacts are not anticipated, the mitigation measures below restate project design features and City requirements, which would assure less than significant project impacts.

- **MM-12** The project applicant shall install automatic fire sprinklers.
- **MM-13** The project applicant shall install full Safety Alarm Systems.
- **MM-14** The project applicant shall provide for review of site plans by the El Segundo Fire Department for placement of on-site fire hydrants and fire access lanes.

### 14. RECREATION.

<table>
<thead>
<tr>
<th>Question</th>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Would the project increase the use of existing neighborhood or regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A significant impact may occur if a proposed project includes substantial employment or population growth, which could generate demands for public park facilities that exceed the capacity of existing parks, and causes premature deterioration of the park facilities. The proposed project involves the demolition of an existing 140,000 square foot 12-story office building and construction of a 120,610 square foot 6-story office building. No residential development is proposed as a part of the proposed project. The proposed project therefore would not increase permanent residential population within the City of El Segundo. Maintenance of public parks and public recreational facilities in El Segundo are funded largely through the City general fund. As demand for park services by the proposed project is considered to have no impact, impacts on maintenance of those facilities would likewise not be significant. The project would not increase the demand for neighborhood or regional parks or other recreational facilities. No impact would occur.
<table>
<thead>
<tr>
<th>Issues and Supporting Information</th>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
</table>

A significant impact may occur if a project includes the construction or expansion of park facilities and such construction would have a significant adverse effect on the environment. The proposed project involved the construction of a commercial project and not the construction of parks. No impact would occur on existing recreational opportunities.

15. TRANSPORTATION/TRAFFIC. Would the project:

a) Cause an increase in the traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?

<table>
<thead>
<tr>
<th>potentially significant impact</th>
<th>less than significant with mitigation incorporated</th>
<th>less than significant impact</th>
<th>no impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

d) Substantially increase hazards to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

e) Result in inadequate emergency access?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

f) Result in inadequate parking capacity?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

g) Conflict with adopted policies or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

<table>
<thead>
<tr>
<th>Potentially Significant Impact</th>
<th>Less than Significant With Mitigation Incorporated</th>
<th>Less Than Significant Impact</th>
<th>No Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A significant impact related to traffic conditions would occur if a proposed project generated traffic that exceeded the significance threshold of the jurisdiction in which a potentially affected intersection were located. A traffic study was conducted by RKJK & Associates for the proposed project which examined the potential traffic impacts at 5 intersections:

- Sepulveda Boulevard Boulevard/Imperial Highway
- Sepulveda Boulevard Boulevard/Maple Avenue
- Sepulveda Boulevard Boulevard/Mariposa Avenue
- Sepulveda Boulevard Boulevard/Grand Avenue
- Sepulveda Boulevard Boulevard/El Segundo Boulevard

The traffic study estimated the traffic, which would be generated by the proposed project and added that traffic to the projected future traffic volumes at these five intersections. Future traffic volumes at these intersections included existing traffic volumes determined by traffic counts, future traffic generated by development projects expected to occur in the City, which could contribute traffic at these intersections and a background growth factor of 2% per year. Future intersection conditions were determined using the Intersection Capacity Utilization (ICU) methodology utilized by the City of El Segundo. Intersection operations are characterized by Level of Service (LOS), which indicates the projected traffic volumes as compared to the theoretical capacity of the intersection. LOS varies from LOS A (free flow) to LOS F (congested operation). Currently, the five study intersections operate at acceptable LOS D or better, with the exception of:

- Sepulveda Boulevard Boulevard/Imperial Highway – LOS E in the AM peak hour; LOS F in the PM peak hour
- Sepulveda Boulevard Boulevard/Grand Avenue – LOS E in the PM peak hour
- Sepulveda Boulevard Boulevard/El Segundo Boulevard – LOS E in the AM and PM peak hours
The traffic study projected the future conditions at the 5 study intersections without implementation of the proposed project by estimating the traffic which would be generated by other development projects, along with growth in background traffic volumes, and adding these volumes to existing traffic volumes. The traffic study determined that 8 other development projects in the City of El Segundo could produce additional traffic at the study area intersections. In addition, to account for ambient traffic growth on study area roadways, future traffic volumes were increased by an annual growth rate of 2.0%, which was obtained from the City of El Segundo and is consistent with the observed overall traffic volume growth in this area of the City. With the addition of traffic from other development projects and ambient growth, the LOS at Sepulveda Boulevard/Grand Avenue would decline from LOS D to LOS E in the AM peak hour, and from LOS E to LOS F in the PM Peak hour. The intersection of Sepulveda Boulevard/El Segundo Boulevard would decline from LOS E to LOS F in the AM Peak hour, while continuing to operate at LOS E during the PM peak hour. Sepulveda Boulevard/Imperial Highway would continue to operate at LOS E in the AM peak hour and LOS F in the PM peak hour. All other intersections would operate at LOS D or better during the AM and PM peak hours.

The City of El Segundo has established a significance threshold for traffic impacts within the City that identifies a significant impact whenever either of the following occurs: (1) a project causes an intersection to decline from LOS D or better to LOS E or worse; or (2) a project contributes traffic that causes the volume/capacity (V/C) ratio at an intersection that is forecast to operate at LOS E or LOS F to increase by 0.02 or more. If either of these two thresholds is exceeded, the impact is considered significant.

With the addition of project traffic at the two intersections that are forecast to operate at LOS D or better (Sepulveda Boulevard/Mariposa Avenue and Sepulveda Boulevard/Maple Avenue), these intersections would continue to operate a LOS D or better. Therefore the proposed project would not cause these intersections to decline from LOS D or better to LOS E or worse. Project impacts at Sepulveda Boulevard/Mariposa Avenue and Sepulveda Boulevard/Maple Avenue would be less than significant.

The remaining three study intersections are forecast to operate at LOS E or F. The addition of project traffic at Sepulveda Boulevard/Grand Avenue would result in an increase of 0.007 in the V/C ratio during the AM peak hour, and an increase of 0.006 during the PM peak hour. The addition of project traffic at Sepulveda Boulevard/El Segundo Boulevard would result in an increase of 0.005 in the V/C ratio during the AM peak hour, and an increase of 0.004 during the PM peak hour. The addition of project traffic at Sepulveda Boulevard/Imperial Boulevard would result in an increase of 0.006 in the V/C ratio during the AM peak hour, and an increase of 0.015 during the PM peak hour. All projected V/C increases would be below the 0.02 threshold and would be less than significant. Traffic impacts of the proposed office development would be less than significant.

A project-related significant adverse effect could occur if inadequate parking areas were provided during construction or operation of the proposed project such that employee and visitor parking would spill over into adjacent areas. During construction, parking demand would increase because of the need to accommodate construction equipment and worker vehicles. This parking would be provided within the project site and would be sufficient to accommodate demand. During operation of the proposed project, parking would be provided in the adjacent parking structure located at 892 North Sepulveda Boulevard. This structure, which contains 817 parking spaces, is sufficiently sized to accommodate the parking required for the proposed project under City code (331 spaces) and the parking required for the adjacent 898 North Sepulveda Boulevard building (245 spaces), without resulting in spillover into surrounding areas. In addition, 18 surface parking spaces would be provided within the 888 North Sepulveda Boulevard site, for a total of 835 spaces provided. No impacts related to parking would occur.

A project-related significant adverse effect could occur if project design did not allow for emergency access meeting the requirements of the Fire Department such that an existing hazard to the project and adjacent uses would be exacerbated. Access to the project site would be provided from Walnut Avenue and Sepulveda Boulevard, which would be consistent with Fire Department requirements for two separated access points to the site. The Fire Department would approve access locations through site plan review. No impacts related to emergency access would occur.

A project-related significant adverse effect could occur if the project included new roadway design or introduced a new land use into an area with specific transportation requirements and characteristics, which had not been previously experienced in that area. The proposed project does not include any new roadways. The proposed project would also
include office and parking land uses, which are consistent with the urban development already existing in this area of the City of El Segundo. Automobile and truck traffic associated with these uses would be consistent with existing traffic patterns. No impact would occur.

A project-related significant adverse effect could occur if the project were to increase traffic hazards in such a manner as to pose safety hazards or otherwise preclude pedestrian and bicycle movements. As noted above, the proposed project would increase traffic at certain intersections within the City of El Segundo. However, these intersections are currently signalized and provide crosswalks and pedestrian crossing signals to ensure pedestrian safety. The proposed project would not impact these signals and would thus not impact pedestrian safety. The proposed project would not significantly impact any of the study intersections and thus the proposed project would not preclude the use of the roadway system by bicycles. Impacts to pedestrian and bicycle movements under the proposed project would be less than significant.

A project-related significant adverse effect could occur if the project would involve modification of existing alternative transportation facilities located on- or off-site. No off-site construction would be associated with the proposed project. On-site construction would occur in areas that do not include any existing alternative transportation facilities. No impacts related to alternative transportation facilities would occur.

A project-related significant adverse effect could occur if the project included rail, port or airport facilities, or had the potential to impact such facilities. The proposed project is a commercial development that does not include any rail, port or airport facilities. The only such facilities located in the vicinity of the project site are the former Burlington Northern Santa Fe railroad right-of-way adjacent to the project site and Los Angeles International Airport (LAX) to the north. The proposed project would not include any development that would infringe upon or otherwise impact the railroad right-of-way. The proposed project is sufficiently distant from LAX that it would not impact operations at that facility. No impacts would occur.

16. UTILITIES AND SERVICE SYSTEMS. Would the project:

| a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | X |
| b) Require or result in construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | X |
| c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | X |
| d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? | X |
| e) Result in a determination by the wastewater treatment provider which services or may serve the project determined that it has adequate capacity to serve the project’s projected demand in addition to the provider’s existing commitments? | X |
| f) Be served by a landfill with sufficient permitted capacity to accommodate the project’s solid waste disposal needs? | X |
| g) Comply with federal, state, and local statues and regulations related to solid waste? | X |

A significant impact may occur if a proposed project includes substantial employment or population growth, which could generate a demand for new systems or substantial alterations to power or natural gas. The Southern California Gas Company (TGC) provides natural gas to the City of El Segundo, including the proposed project site. The proposed project site is located in TGC’s Pacific Region, which includes all coastal areas between Long Beach and Ventura.

The availability of natural gas is based upon present conditions of gas supply and regulatory policies. As a public utility, TGC is under the jurisdiction of the California Public Utilities Commission, but can also be affected by actions of federal
regulatory agencies. Should these agencies take any action which affects gas supply or the conditions under which service is available, gas service would be provided in accordance with those revised conditions. No impact would occur.

A significant impact may occur if a proposed project includes substantial employment or population growth, which could generate a demand for new systems or supplies, or substantial alterations to communications systems. Pacific Bell provides local telephone service in the City of El Segundo. Telephone service, including FasTrak Digital Subscriber Line (DSL), is provided to the proposed project area primarily through overhead cables. DSL allows for high-speed data transport over existing twisted copper telephone wires.11 Pacific Bell regularly upgrades its system as demands for service increase. There would be no need for new systems, new supplies, or substantial alterations to the existing communications systems. No impact to communications systems would occur.

A significant impact may occur if a proposed project would increase water consumption or wastewater generation to such a degree that the capacity of facilities currently serving the project site would be exceeded. The City of El Segundo supplies water to proposed project site, from groundwater wells located within the Los Angeles Basin, which is blended with water purchased from the Metropolitan Water District (MWD). There is a 10-inch main on the east side of Sepulveda Boulevard and a 10-inch main on the north side of Walnut Avenue. These lines are both capable of handling the increase in water consumption generated by the proposed project.12 Water supplies for the Los Angeles Region are considered ample enough to serve existing and planned development in the area, including the proposed project. The increase of water consumption generated by the proposed project would not require or result in the construction of new water treatment facilities or expansion of existing facilities. No impact to water treatment facilities would occur.

The City of El Segundo Public Works Department also provides wastewater service to the project area. The increase in wastewater would be treated at the Los Angeles County Sanitation Districts Joint Water Pollution Control Plant (JWPCP). The JWPCP has a design capacity of 365 million gallons per day (mgd) and currently processes an average flow of 328.8 mgd. There is a 12-inch wastewater main on the west side of North Sepulveda Boulevard and an 8-inch main running along the backside of the property from East Walnut Avenue to East Maple Avenue. According to the Public Works Department both wastewater mains have sufficient capacity remaining to handle the increase generated by the proposed project.13 The increase in wastewater generation by the proposed project can be served by existing treatment facilities and would not result in the construction of substantial new or expanded wastewater treatment facilities. No impact to wastewater treatment facilities would occur.

A significant impact may occur if a proposed project would increase wastewater generation to result in a need for new systems or supplies, or substantial alterations to sewer or septic tanks. This question would apply to the proposed project only if it were located in an area not served by an existing sewer system. The proposed project site is located in a developed area of the City of El Segundo, which is served, by a wastewater collection, conveyance and treatment system operated by the City with adequate capacity to serve the project. No septic tanks or alternative disposal systems are necessary, nor are they proposed. No impact to sewer or septic tanks would occur.

A significant impact may occur if the volume of storm water runoff increases to a level exceeding the capacity of the storm drain system serving the proposed project site. Runoff from the proposed project would be collected on the site and directed towards existing storm drains in the project vicinity. Runoff would be reduced under the proposed project, which would increase the amount of permeable surface within the project site, through increased landscaping. Because the amount of storm water runoff to the storm drain system would decrease, no impacts to the storm drain system would occur.

No deficiencies in affected infrastructure exist now, nor are any anticipated with implementation of the proposed project. No substantive changes to storm drain facilities would be required as a result of the proposed project. No significant impact would occur.

---

11 Pacific Bell, DSL-About DSL. www.pachell.com/Faqs/Faqs_detail/0_1931,11,00.html


13 Source: Department of Public Works, phone call, Gary Morse, Wastewater Supervisor, October 4, 2000.
A significant impact may occur if a proposed project were to increase solid waste generation to a degree that existing and projected landfill capacity would be insufficient to accommodate the additional solid waste. Solid waste generated in the project area is typically disposed at the Puente Hills Landfill, in Whittier and the Nu-Way Live Oak Landfill, in Irwindale; however, other landfills serving commercial properties located within the City are also available for solid waste disposal. Facility expansions and new landfills are being sought as existing facility capacity diminishes. Also, mandatory City waste reduction and recycling programs, such as the Source Reduction and Recycling Program (in compliance with the September 1989 California Integrated Solid Waste Management Act, SB 939) are greatly reducing the amount of waste that would otherwise have entered area landfills.

A significant impact may occur if a proposed project were to increase water consumption to such a degree that new water sources would need to be identified, or that existing resources would be consumed at a pace greater than planned for by purveyors, distributors and service providers. The Department of Public Works is anticipated to be able to meet the water demand for the proposed project, as described in Section 8, above. No impact to water service would occur.

With implementation of City waste reduction measures and the project mitigation measures below, no significant impact would occur.

**MM-15** A recycling program shall be instituted for the project to the satisfaction of the Director of Community, Economic and Development Services to reduce the volume of solid waste going to landfills.

**MM-16** Recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass and other recyclable material.

<table>
<thead>
<tr>
<th>17. MANDATORY FINDINGS OF SIGNIFICANCE.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?</td>
<td>X</td>
</tr>
<tr>
<td>b) Does the project have impacts that are individually limited, but cumulatively considerable? (&quot;Cumulatively considerable&quot; means that the incremental effects of a project are considerable when viewed in connection with the effects of the past projects, the effects of other current projects, and the effects of probable future projects)?</td>
<td>X</td>
</tr>
<tr>
<td>c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?</td>
<td>X</td>
</tr>
</tbody>
</table>

A significant impact may occur only if a project would have an identified potentially significant impact for any of the above issues, as discussed in the preceding sections. The proposed project is located in a densely populated urban area. The proposed project would have no unmitigated significant impacts with respect to biological resources and less than significant cultural resource impacts provided the mitigation measures listed above are implemented. The proposed project would not degrade the quality of the environment, reduce or threaten any fish or wildlife species (endangered or otherwise), or eliminate important examples of the major periods of California history or pre-history.

A significant impact would occur only if a proposed project were to result in short-term environmental effects that would substantially affect or preclude the ability of a jurisdiction to achieve long-term environmental goals. The proposed project does not include any significant short-term environmental effects that cannot be mitigated and therefore would not impact to achievement of long-term environmental goals. No impact would occur.
A significant impact may occur if a project, in conjunction with other related projects in the area of the project site, would result in impacts which are less than significant when viewed separately, but would be significant when viewed together. Although there are other past, current and probable future projects in the area surrounding the project site, the project's contribution to cumulative traffic, air quality, and other impact areas would be de minimis (i.e., environmental conditions would essentially be the same whether or not the proposed project is implemented).

A significant impact may occur if a project has the potential to result in significant impacts, as discussed in the preceding sections. As noted in the evaluations above, the proposed project would not result in any unmitigated significant impacts. Thus, the proposed project would not have the potential to result in substantial adverse effects on human beings.
Draft Mitigation Measures

Air Quality

MM-1 The applicant shall implement Transportation Demand Management (TDM) programs and adopt Transportation System Management (TSM) plans and provide incentives for the provision of transit support facilities in accordance with SCAQMD and City regulations.

Cultural Resources

MM-2 In the event that paleontological or archaeological resources are encountered during the course of grading, all development must cease in these areas until the paleontological or archaeological resources are properly assessed and subsequent recommendations are determined by a qualified paleontologist or archaeological.

Geology and Soils

MM-3 The development shall conform to the California Building Code.

Hazards and Hazardous Materials

MM-4 All identified ACM shall be removed in accordance with all federal, state, SCAQMD and local regulations by an asbestos abatement contractor who is certified by and registered CAL/OSHA for removal of asbestos. If any suspect asbestos containing materials not previously identified are encountered during demolition, these materials would be required to be sampled by a qualified person and analyzed by an accredited laboratory. If these materials are confirmed as ACMs, they shall be removed and disposed of in accordance with applicable regulations.

MM-5 All debris shall be cleared, including waste oil and waste oil impacted materials, from the southeastern corner of the proposed project site. All removed material shall be handled and disposed of in accordance with applicable regulations.

MM-6 Prior to issuance of a demolition permit, the applicant shall submit a demolition safety plan for review and approval by the Department of Community, Economic and Development Services which demonstrates that the chosen method of demolition will be in accordance with all applicable federal, state, and local regulations.

Hydrology and Water Quality

MM-7 The project applicant shall ensure that an effective erosion control program is in place throughout the demolition and site preparation phases of the project.

MM-8 The project applicant shall provide perimeter retainage around the site to minimize sediment runoff to the storm drain system.

MM-9 The project applicant shall install foil filters or other fuel/oil separators at all parking structure storm drain collectors.

MM-10 Landscape design shall maximize rainwater detention in landscaped areas.

MM-11 The project applicant shall incorporate all applicable design measures set forth in the Standard Urban Storm Water Mitigation Plan for Los Angeles County and Cities in Los Angeles County.
**Public Services**

MM-12  The project applicant shall install automatic fire sprinklers.

MM-13  The project applicant shall install full Safety Alarm Systems.

MM-14  The project applicant shall provide for review of site plans by the El Segundo Fire Department for placement of on-site fire hydrants and fire access lanes.

**Utilities and Service Systems**

MM-15  A recycling program shall be instituted for the project to the satisfaction of the Director of Community, Economic and Development Services to reduce the volume of solid waste going to landfills.

MM-16  Recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass and other recyclable material.
ENVIRONMENTAL ASSESSMENT APPLICATION

Environmental Assessment No: 211
Date: 2/8/2011

A. GENERAL INFORMATION

1. Applicant

TA ASSOCIATES, c/o CLIFF CHANDLER  (949) 852-2030  (949) 852-2031
Name (print or type)  
1301 DOWE ST, SUITE 860  
Address  
Newport Beach, CA 92660  
City/State/Zip

Check One:  Owner [x]  Lessee [ ]  Agent [ ]

Signature

2. Property Owner

8990 SEPULVEDA ASSOCIATES, LLC  (949) 477-4787  (949) 477-9107
Name (print or type)  C/O DWIGHT BRAKE  
4 Park Plaza, Suite 700  
Address  
Irvine, CA 92614  
City/State/Zip

Signature
3. **Representative of applicant: (i.e., attorney, expeditor, etc.)**

TA Associates, c/o Cliff Chandler  
Name (print or type)  
1301 DOVE ST., SUITE 800  
Address  
Newport Beach, CA 92660  
City/State/Zip  
(949) 852-2030  
(949) 852-2031  
Phone  
Fax  
Chandler@farealty.com  
Email  
Signature

4. **Architect/Engineer**

Lancaster Wilson Architects  
Name (print or type)  
18800 Van Karman Ave, Suite 200  
Address  
Irvine, CA 92612  
City/State/Zip  
(714) 833-9193  
(714) 833-3098  
Phone  
Fax  
rbaum@lw-oc.com  
Email  
Signature

5. **Property situated at:**  
Assessor Parcel No: 4138-005-035

Assessor’s Block & Lot No:  
(Exact legal description. Provide attachment, if necessary).

6. **General Location:**

888 Sepulveda Blvd  
Address  
between Walnut Street and Maple Street

7. **Proposed Use of Site:**  
Office

8. **El Segundo Municipal Code Section(s) Relating to Request:**

(The El Segundo Municipal Code is available for review in the Planning Division or online at www.elsegundo.org).

B. **PROJECT DESCRIPTION:** Use additional sheets as necessary and key response to the corresponding question.

1. Site size:  
2.55 ACRES (111,059 SF)

2. Total square footage of building(s) or structure(s):  
Applied Proposed BLDG: 88,947 SF, NET

3. Number of floors of construction:  
10 stories or less, less than 200

4. Building height:  
80 F.A.R. (Net Bldg. Area)

5. Floor Area Ratio:
6. Total percentage of lot covered by structures:  
   Approx. 12% - not including existing parking structure

7. Proposed construction scheduling (number of phases and time frames):  
   Approx. 18 months after permits are approved - 1 phase of work

8. Associated projects and relationship to larger project or series of projects:  

9. If residential, include:
   - type (single-family, multiple-family (apartment or condominium) -- na
   - the number of units --
   - the size of units --
   - the number of bedrooms per unit --

10. If commercial, indicate:
   - type (general and/or professional office, medical office, retail sales, retail service, etc.) -- office
   - whether neighborhood, city, or regionally oriented -- city
   - square footage of building area -- 8,047 SF (NET)
   - nature of loading facilities provided -- around level
   - days/hours of operation -- 24/7

11. If industrial, indicate:
   - type (heavy manufacturing, light manufacturing, research and development, warehousing and distribution, storage or mini-storage, etc.) -- na
   - estimated employment per shift and number of shifts
   - nature of loading facilities--
   - days/hours of operation

12. If institutional, indicate:
   - major function -- na
   - estimated employment per shift and number of shifts
   - estimated occupancy --
   - nature of loading facilities provided --
   - days/hours of operation --
   - community benefit to be derived from the project--

097
13. Indicate if project requires:
   Conditional Use Permit: ____________
   Rezoning application (Zone Change): ____________
   Zone Text Amendment: ____________
   Development Agreement: Yes
   other application (indicate application type(s)): ____________

14. Existing land uses of the subject site and surrounding properties:
   Subject property: office.
   North: office.
   East: office.
   South: office.
   West: hotel.

15. Physical Site:
   Will the project modify existing natural features? No
   Estimated cubic yards of grading involved in the project: Cut = 9,000 cy, Fill = 9,000 cy

16. Will any permits (including a Hazardous Materials Business Plan) be required from agencies other than the City? (please explain) No

17. Will the project use, store, or dispose of potentially hazardous chemicals, materials, toxic substances, flammables or explosives? (please explain) No
   If yes to either 16 or 17 please describe in detail on a separate sheet.

18. Other public agencies whose approval is required: (e.g., permits, financing, approval or participation agreement, etc.) No

C. ENVIRONMENTAL SETTING

1. Describe the project site as it exists before the project, including information on topography, soil stability, plants and animals, and any cultural, historical, or scenic aspects. Describe any existing structures on the site, and the use of the structures. Attach and label photographs of the site and surrounding area.

   The site is currently vacant after a office building was demo'd in 2003. The existing parking structure on the north end of the site remains.

2. Describe the surrounding properties, including information on plants and animals and any cultural, historical, or scenic aspects. Indicate the type of land use (residential, commercial, etc.), intensity of land use (one-family, apartment houses, shops, department stores, etc.), and scale of development (height, frontage, setback, rear yard, etc.). Attach and label photographs of the site and surrounding area.
The surrounding sites are fully built out with little landscaping with these older projects. Nearby buildings are industrial & office uses.

D. AFFIDAVITS

NOTE: Separate Affidavits must be submitted if there are multiple owners.

OWNER'S AFFIDAVIT

I, We 898 Sepulveda Associates, LLC being duly sworn depose and say that I/we the OWNER of the property involved in this application and that I/we have familiarized myself (ourselves) with the rules and regulation of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereeto are in all respects true and correct to the best of my/our knowledge and belief.

STATE OF CALIFORNIA, )
County of Los Angeles )ss.

On his/our __________ day of __________, 20__, before me, the undersigned Notary Public in and for said County and State, personally appeared ______________ subscribe to the within instrument, and acknowledged to me that he/she executed the same.

WITNESS my hand and official seal.

Notary Public in and for said County and State
Date: Feb. 8, 2011

898 SEPULVEDA ASSOCIATES, LLC,
a Delaware limited liability company

By: TC Sepulveda, Inc.
a Delaware corporation,
its sole member

By: ____________________________
Name: Matthew J. Nichols III
Position: Executive Vice President
ACKNOWLEDGMENT

State of California
County of Orange

On Feb 8, 2011 before me, R. Flandez, Notary Public
(insert name and title of the officer)

personally appeared Matthew J. Nickel, III
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal:

Signature (Seal)

R. FLANDEZ
Commission # 1316162
Notary Public - California
Orange County
My Comm. Expires Jan 6, 2015
AGENT AUTHORIZATION

I hereby authorize CLIFF CHANDLER (TA ASSOC) to act for me in all matters relevant to this Application. I understand that this person will be the primary contact on the project and will be sent all Information and correspondence.

[Signature] 2/9/11

Owner's Signature  Date

AGENT AFFIDAVIT

I, We, CLIFF CHANDLER, the undersigned, depose and say that (I am/We are) the AGENT(S) of the property involved in this application and that I(We) have familiarized myself/ourselves with the rules and regulation of the City of El Segundo with respect to preparing and filing this Application and that the foregoing statements herein contained and the information in all documents and all plans, attached hereto are in all respects true and correct to the best of my/our knowledge and belief.

[Signature] 02/09/2011

Applicant's Signature  Date
APPLICATION FOR A DEVELOPMENT AGREEMENT

Environmental Assessment No: 911  Development Agreement No: 11-01

Date: 2/8/2011

Applicant:
T A Associates Realty, c/o: Cliff Chandler
Name (Print or Type)
1301 Dove Street, Suite 860
Address
Newport Beach, California 92660
City/St/Zip

Check One: Owner ☒  Lessee ☐  Agent ☐
Property Owner

T A Associates Realty, c/o: Cliff Chandler
Name (Print or Type)
1301 Dove Street, Suite 860
Address
Newport Beach, California 92660
City/St/Zip

Phone (949) 852-2030  Fax (949) 852-2031
chandler@tarealty.com

898 Sepulveda Associates, LLC
Name (Print or Type) c/o: David Drake
4 Park Plaza, Suite 700
Address
Irvine, California 92614
City/St/Zip

Phone (949) 477-4731  Fax (949) 477-9010
didrake@trammelcrow.com

Representative of applicant: (i.e., attorney, expeditor, etc.)
T A Associates Realty, c/o: Cliff Chandler
Name (Print or Type)
1301 Dove Street, Suite 860
Address
Newport Beach, California 92660
City/St/Zip

Phone (949) 852-2030  Fax (949) 852-2031
chandler@tarealty.com

Signature

Signature

Signature
Architect/Engineer:
Langdon Wilson Architects
Name (Print or Type) (714) 833-9193 (714) 833-3098
18800 Von Karman Ave. Suite 200 Phone Fax
Address
Irvine, CA 92612
City/St/Zip
Email rbraum@lw-o.com
Signature

Property Situated at: Assessor Parcel No. 4138-005-035. See attached legal
(Exact legal description. Provide attachment if necessary).

General Location:
888 Sepulveda Boulevard between Walnut and Maple Street
Address Street/Avenue Street/Avenue

Existing Zoning: CO Existing General Plan/Specific Plan: Corporate Office

REQUEST: Under the provisions of City Council Resolution 3268 and Government Code Sec. 65864-
65869.5, application for consideration of a Development Agreement for the above described property.

1. Describe the proposed project in its entirety. Included information on the type of
construction proposed, material to be used, and type of uses involved (i.e., bank, general
office, restaurant, etc.) Provide details on square footages, heights, number of stories,
number of parking spaces, etc.

The primary purpose of this application is to extend the existing Development Agreement (DA) dated
3/20/2001 covering the property. The DA is requested to be extended a minimum of 5 years to allow for
the planning process and project development.

The currently proposed project consists of the development of a 10 story or less (under 200' high) office
containing approximately 88,862 square feet of floor area ("net area" as allowed using a F.A.R. of .80)
with the development being located at 888 North Sepulveda Boulevard, Parcel 1 of Parcel Map 11008,
the "Property". A limited number of parking spaces will be provided on the project site with the remaining
stalls being provided either below the proposed building or in the existing 7 level parking structure on the
same lot - as shown on the enclosed plan. The current parking operation, supporting off-site airport
parking, shall also be permitted to continue providing services to existing office building at 898 Sepulveda
Blvd - the proposed office and facilities permitted by the property zoning as authorized by AUP No. 94-6.
The actual program for the approximately 88,862 SF (net) development shall be developed in conjunction
with an approved developer and will cover the type of construction, material to be used, parking operation
and other amenities to be included in the project. Based on current Municipal Code (1:300 for office), the
existing office will utilize up to 288 car stalls in the parking structure. The proposed development could
utilize an additional 296 stalls if developed as an office or fewer if developed as a hotel project instead.
The parking structure operator will utilize the remaining 254 stalls, or more in the case of a hotel
development, to support off-site airport parking.

Currently the Property is zoned "CO", Corporate Office. The Property currently consists of an 111,059
square foot (2.55 Acres) parcel, a portion of which is developed with an existing approximately 838 space
parking structure that will remain and will provide for some of the parking for the proposed facility.
Adjacent to the Property is Parcel 2 which includes an approximately 87,603 square foot existing office
building. Lastly the Property did contain a 12 story, 149,145 square foot office building which was
demolished in 2003.
2. **Provide a detailed explanation of how the proposed project is consistent with the goals, objectives, policies, and programs specified in the General Plan and Specific Plan sections. Specifically reference the applicable General Plan and Specific Plan sections.**

The City's General Plan encourages the increase in commercial and professional uses such as offices and encourages innovative land development and design techniques to revitalize and upgrade commercial areas, making them part of a viable, attractive, and people-oriented commercial district. The General Plan also contemplates areas that have the flexibility to mix uses in an effort to provide synergistic relationships which have the potential to maximize economic benefits, reduce traffic impacts, and encourage pedestrian environments. The Project is wholly consistent with the intent of the General Plan.

Because the Property is located along Sepulveda Boulevard, a major commercial and transit corridor, the Project will rejuvenate this under-utilized property which currently provides few services to the City. The Project would stimulate the entire commercial corridor near the Project area, contributing to the development of a viable, attractive, and people-oriented commercial district. The Project's location offers many opportunities for mass transit with bus, shuttle services, and nearby Green Line Rail systems throughout the community reducing the reliance of personal vehicles by users of the competed project. The Property provides wide sidewalks along Sepulveda Boulevard that accommodate pedestrian travel to nearby shopping and restaurant uses, furthering the goal of creating a synergistic relationship with the community to maximize economic benefits, reduce traffic impacts, and encourage pedestrian environments.

3. **Describe how the proposed project is compatible with the uses and regulations prescribed for the Zoning district in which it is locates.**

The Property is zoned CO, Corporate Office. Though the CO zone is primarily intended to provide for the development of office projects, the Municipal Code permits office use in the CO zone.

The 888 Sepulveda Blvd property currently consists of an 111,059 square foot parcel, a portion of which is developed with an existing approximately 838 space parking structure that will remain and continue to providing parking for the existing office building at 892 Sepulveda, commercial parking operation and the proposed facility. All other development standards for the Project - parking, landscaping, building height, FAR - are compatible with the CO zone. The project is therefore compatible with the uses and regulations prescribed for the CO zoning district in which the proposed facility is located. The current parking operation is also compatible with the CO zoning, with this use being covered by the Administrative Use Permit No. 94-6 (APU No. 94-6) issued in 1994.

4. **Describe how the proposed projects' design would be compatible and integrated with, and not be detrimental to, existing development on adjacent and surrounding neighboring properties.**

The proposed Project is compatible with the surrounding uses and is situated to make use of the existing access point (driveway) on Sepulveda Blvd. The proposed facility shall also be designed to coordinate with the efficient use of the 7 level parking structure with a ground level access point the southeast corner of the garage reducing traffic movements out onto Sepulveda Blvd. The Property is located along Sepulveda Boulevard, a major commercial and transit corridor offering a variety of commercial and manufacturing services to the community such as banks, hotels, office, clothing, manufacturing and retail uses. The Project area therefore is mostly commercial in character. The Project will provide a passive commercial use similar to the neighboring office building and parking structure, and will provide a commercial use compatible with the services offered along Sepulveda Blvd. Further, the design of the Project will complement development in the immediate neighborhood in scale and style. The Project's design is intended to provide a compatible and tasteful architectural addition to the neighborhood. The style of the Project is intended to harmonize with the surrounding uses while maintaining a unique architectural style. The majority of parking for the facility will be located on-grade or in the adjacent 7 level parking structure, making the architectural features of the facility the focal point on the Property. The
project shall be less than 200' in height, which is consistent with the multi-floor office buildings along Sepulveda Boulevard. These elements will therefore be compatible with features in existing structures in the immediate area.

The Project will not have detrimental effects on the adjacent properties or the neighborhood. Instead, the Project allows the full development of the proposed use in a manner not detrimental to the particular area or to the public welfare. The existing site is currently undeveloped and therefore does not contribute to the community. This project is an urban infill development project located along a commercial corridor. The Project will contribute to the well-being of the City's residents by creating a cost, energy, and transportation efficient design with tasteful architectural features. The project will also benefit the community by maximizing valuable land and revitalizing an underutilized portion of the City. The Project therefore improves property in the Project vicinity by stimulating development on prime property in the City. The Property currently provides few services to the City by maintaining a partially vacant lot and a parking structure that serves an adjacent property. A well-designed, upscale Project that is compatible with existing neighboring uses will also enhance the neighborhood and stimulate growth and development in the area. Lastly, as noted in AUP No. 94-6, concerning the reduction in traffic around the site, provided the current parking structure operation continues.

5. Submit a scaled site plan showing the location and dimensions of all existing and proposed buildings, dimensions of property, abutting streets, utilities, easements, ingress and egress, parking areas, loading area, landscaping, etc., along with elevations, sections, floor plans, etc., all of existing and proposed buildings and structures. (See Plot Plan checklist).

Refer to the existing Development Agreement

6. Attach the proposed Development Agreement. The Development Agreement shall include the duration of the agreement, permitted uses of the property, density or intensity of use, maximum height and size of all buildings, and provisions for reservation or declaration of land for public purposes.

See Attached existing Development Agreement

NOTE: Separate Affidavits must be submitted if there are multiple owners.

OWNER'S AFFIDAVIT

I, We, being duly sworn deposite and say that I/We, The OWNER of the property involved in this application and that I/we have familiarized myself (ourselves) with the rules and regulation of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereto are in all aspects true and correct to the best of my/our knowledge and belief.

Signature

Date

STATE OF CALIFORNIA,
County of Los Angeles

) ss.

106
Date: Feb. 8, 2011

898 SEPULVEDA ASSOCIATES, LLC,
a Delaware limited liability company

By: TC Sepulveda, Inc.
a Delaware corporation,
its sole member

By: [Signature]
Name: Matthew J. Nixels III
Position: Executive Vice President
On this __________ day of __________________, 20__, before me, the undersigned Notary Public
In and for said County and State, personally appeared ________________________________
Known to me to be the person whose name ______________________________ subscribe to the within
Instrument, and acknowledgement to me that he/she executed the same.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for said County and State

[Stamp]
ACKNOWLEDGMENT

State of California
County of Orange

On Feb. 8, 2011 before me, R. Flandez, Notary Public
(insert name and title of the officer)

personally appeared Matthew J. Nickels, III who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
(Seal)
AGENT AUTHORIZATION

I hereby authorize CLIFF CHANDLER to act for me in all matters relevant to this application. I understand that this person will be the primary contact on the project and will be sent all information and correspondence.

[Owner's Signature] [Date]

AGENT AFFIDAVIT

I, WE CLIFF CHANDLER, the undersigned, depose and say that (I am/We are) the AGENT(S) of the property involved in this application and that (I/We) have familiarized myself (ourselves) with the rules and regulations of the City of El Segundo with respect to preparing and filing this application and that the foregoing statements herein contained and the information documents and all plans attached hereto are in all aspects true and correct to the best of my/our knowledge and belief.

[Applicant's Signature] [Date]

02/09/2011
EL SEGUNDO CITY COUNCIL

AGENDA STATEMENT

MEETING DATE: April 5, 2011

AGENDA HEADING: Continued-Public Hearing

AGENDA DESCRIPTION:
Consideration and possible action to re-open a continued public hearing and receive testimony regarding: 1) an Environmental Assessment for a Categorical Exemption; and 2) a Zone Text Amendment amending the El Segundo Municipal Code ("ESMC") as it relates to nonconforming buildings and structures and to allow administrative adjustments for nonconforming buildings for incidental life safety repairs or upgrades and reasonable access accommodations for persons with disabilities. Applicant: City Initiated (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Re-open Continued Public Hearing;
2. Discussion;
3. Introduce and waive first reading of an Ordinance for Environmental Assessment No. EA 862 and Zone Text Amendment No. 10-02;
4. Schedule second reading and adoption of Ordinance on April 19, 2011; and/or
5. Alternatively, discuss and take other possible related action to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft Ordinance
2. Draft Ordinance (strike-out underline version)
3. Planning Commission staff report dated February 24, 2011 and attachments

FISCAL IMPACT: None

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

ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
REVIEWED BY: Greg Carpenter, Director Planning and Building Safety
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

On March 15, 2011, staff recommended that the City Council continue the public hearing for this item to address the concerns of local property owners regarding the proposed changes. Since that time, staff has made several changes to the proposal for clarity. Additionally, one substantive change has been made to provide additional time to obtain a building permit if a nonconforming building is destroyed by a fire, accident or natural disaster. The current code allows replacement in these instances, but is silent on the issue of how long a person has to replace a nonconforming building. Staff had recommended a one-year limit, from the time of the building damage, to...
obtain a building permit. Based on concerns raised about how long it takes to obtain insurance settlements, have plans prepared and obtain building permits, staff has revised the recommendation to provide twenty four (24) months to obtain a building permit.

On February 24, 2011, the Planning Commission held a public hearing on the proposed Zone Text Amendment. After receiving testimony and documentary evidence, the Commission adopted Resolution No. 2689, recommending City Council approval of Environmental Assessment No. 862 and Zone Text Amendment No. 10-02.

I. Background

On February 11, 2010, Planning staff initiated an application to prepare amendments to the ESMC to clarify the City’s regulations to maintain, alter, expand, or rebuild a legal nonconforming building and clarify when buildings must comply with current ESMC regulations. The amendment is intended to update and clarify certain provisions of the nonconforming building and use regulations; to modify the standards to provide consistency with existing policies and procedures established through adopted Planning Commission interpretations, and to establish a process for exceptions from the ESMC to address life safety repairs and reasonable access accommodation requirements. Specifically, the proposed amendments will:

- Incorporate the interpretations of the Planning Commission into the ESMC.
- Limit reconstruction of nonconforming buildings that are damaged or destroyed by natural disaster without complying with current zoning regulations to two years from the occurrence of the damage or destruction (currently there is no time limit).
- Allow the maintenance, alteration, expansion or reconstruction of nonconforming buildings or uses with a demonstrable good faith attempt to bring a property or building into compliance with existing laws.
- Establish a maximum limit (50%) for the removal and replacement of the existing perimeter exterior walls of a nonconforming building or structure in order to maintain non-conforming rights.
- Allow flexibility to accommodate reasonable access accommodations for persons with disabilities and incidental life safety repairs or upgrades by allowing deviations from development standards.
- Establish an Administrative Adjustment process for deviations from the 50% wall maintenance standard for life safety repairs or upgrades.

Planning Commission Interpretations:

On March 11, 1999 the Planning Commission adopted a zoning interpretation for the repair and maintenance of nonconforming structures. The Planning Commission determined that the extent of maintenance to a nonconforming structure must be limited to fifty percent of the replacement value of the structure within a five-year period. The Planning Commission determined that maintenance repair work which exceeds fifty-percent of the replacement value over a five (5) year period is considered new construction and is subject to all the applicable development standards.
On March 8, 2001 the Planning Commission adopted a zoning interpretation to establish in which cases an existing dwelling unit that is legal-nonconforming as to parking would be required to provide the additional garage area for an expansion or remodel project. A new dwelling unit requires a two-car garage and a new dwelling unit that is greater than 3,000 square-feet of area requires a three-car garage. The Planning Commission approved a determination for the new construction or enlargement of an existing structure when more than 50% of the exterior full walls are removed is to be considered a new structure and is subject to all the applicable development standards (e.g., a three-car garage must be provided if the new dwelling unit exceeds 3,000 square feet).

The issue of when a building or structure is considered “new” versus “existing” continues to arise and the issue, in staff’s opinion should be clarified and made part of the Municipal Code.

II. Analysis

Planning staff reviewed existing non-conforming regulations as well as surveyed regulations for nonconforming buildings and uses of other cities to evaluate various options relating to non-conforming regulations.

Typically, cities allow the remodel or expansion of nonconforming buildings, provided that the proposed remodel or expansion does not exceed a maximum 10 to 50% of the building valuation of an existing building, estimated by the Building Official before the entire building or structure must be brought into full conformance with current regulations. Some cities combine both a valuation approach and a maximum limit on the square footage of a building that can be added or remodeled before an entire building or structure must be brought into conformance with current regulations. Other cities use a maximum percentage of building demolition.

The proposed amendments to ESMC Chapter 15-21 would allow for the addition, alteration, remodel or reconstruction of a nonconforming building or structure, provided that no more than fifty percent (50%) of the existing exterior perimeter walls (as defined) are removed, demolished or replaced as of the effective date of this Ordinance. If more than fifty percent (50%) of the existing perimeter walls and the foundation are removed, demolished, or replaced, the entire building or structure must be brought into conformity with all current development standards and laws. Furthermore, it would also clarify that the sole removal of exterior wall coverings, including wall insulation, electrical wiring, plumbing or interior plaster or drywall finishes would not require that the entire building be brought into conformity with all current development standards within the zone in which the property is located.

The Planning Commission interpretation adopted in 1999 based the 50% demolition and replacement maximum upon valuation. Planning staff recommends that the proposed amendment to the ESMC be based upon a measurement of 50% of the exterior perimeter...
wall height rather than use valuation. The use of valuation can be subject to some interpretation in determining the cost of construction. Alternatively, the use of exterior perimeter wall height provides certainty by simply measuring the linear distance of exterior perimeter walls being removed and the linear distance of exterior perimeter walls that are retained and calculating the percentage being retained. The draft zone text amendment includes the addition of a definition of “Exterior Perimeter Wall Height” to ESMC Chapter 15-1 to clarify what components of the exterior perimeter wall must be retained to qualify for meeting the minimum retention of 50% of the exterior perimeter walls.

The proposed amendment to ESMC Chapters 15-21 and 15-24 would also allow the Director of Planning and Building and Safety to grant administrative adjustments for minor exceptions for building additions, alterations, remodel, or reconstruction in the reduction of the retention of the minimum fifty percent (50%) exterior perimeter wall height for life safety repairs or upgrades and to provide for reasonable access accommodations. This allows for minor deviations because of unforeseen life safety issues in the reconstruction and addition to existing buildings that would result in a building not meeting the necessary structural integrity for safety purposes. Both State and Federal law requires cities to allow reasonable access accommodations to remove unreasonable barriers to providing necessary access for persons with disabilities. This typically would be to accommodate access ramps, elevators, lifts and other devices to provide necessary ingress and egress to buildings. Necessary deviations from ESMC regulations may include intrusion into required setbacks, additional building height, or additional lot coverage.

This process is similar to the administrative adjustment process established for some deviations from parking standards and the decisions could be appealed to the Planning Commission.

Finally, the proposed amendment includes an amendment to the definition of building in ESMC Chapter 15-1 to clarify that a building must be permanently affixed to the ground, contain a roof and that shipping containers are not considered buildings.

The proposed amendments are provided in the attached draft ordinance in both an unmarked and a “strike-out, underline text” version to indicate the language that is being removed (text in strike-out) and the language that is being added (underlined text).

III. General Plan Consistency

The proposed Zone Text Amendment regarding nonconforming buildings and structures would conform to the General Plan as specified in the attached resolution.

IV. Environmental Review
As set forth in the proposed ordinance, this matter is categorically exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§15307, et seq., the “CEQA Guidelines”) because it consists only of minor revisions and clarifications to an existing zoning code and specification of procedures related thereto and will not have the effect of deleting or substantially changing any regulatory standards or findings required therefor. This Ordinance, therefore, is categorically exempt from further CEQA review under Cal. Code Regs. Title 14, §§ 15301, 15303, and 15305.

V. Planning Commission Action

At its February 24, 2011 meeting, the Planning Commission reviewed the matter, considered the public testimony, and recommended to the City Council approval of Environmental Assessment No. EA-862 and Zone Text Amendment No. 10-02. No members of the public spoke at the Planning Commission meeting or submitted any written correspondence regarding this matter.

VI. Recommendation

Planning staff recommends that the City Council introduce and waive first reading of the attached draft Ordinance to approve Environmental Assessment No. EA-862. Second reading and adoption of the Ordinance would occur on April 19, 2011.
ORDINANCE NO. ___

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE ("ESMC") CHAPTERS 15-1 DEFINITIONS, 15-21 NONCONFORMING BUILDINGS AND USES, AND 15-24 ADJUSTMENTS.

(EA NO. 862 AND ZTA NO. 10-02)

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

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


B. A review of the El Segundo Municipal Code ("ESMC") shows that there are numerous updates that would be prudent to be made to various regulations for zoning and other, similar, matters;

C. This Ordinance is intended to update, clarify, and bring certain provisions of the City's nonconforming building and use regulations into conformance with current policies and procedures;

D. This process was initiated in order to remove the inequity of allowing certain nonconforming buildings and uses within the City to maintain, alter, expand or rebuild a legal nonconforming building or use with a demonstrable good faith attempt to either promptly bring the property or building in compliance with existing laws or continue using the nonconforming building or use;

E. There is a strong public interest in ensuring that such nonconforming uses and buildings be required to comply with current laws and regulations;

F. On February 24, 2011, the Planning Commission considered staff's recommendations and provided staff further direction;

G. On March 15 and April 5, 2011, the City Council considered staff and Planning Commission recommendations;

H. Based upon the evidence collected during the public hearing before the Planning Commission, staff recommendations, evidence submitted during the City Council public hearing, and Council deliberations, it is in the public
interest to adopt this Ordinance to amend the ESMC;

I. The ESMC amendments effectuated by this Ordinance are intended to strike a fair balance between business interests within certain parts of the City and the public's interest in applying the zoning regulations of the ESMC fairly and equitably.

SECTION 2: ESMC § 15-1-6 is amended to read as follows:

"15-1-6: DEFINITIONS:

* * * *

BUILDING: Any structure used or intended for supporting or sheltering any use or occupancy that is permanently affixed to the ground and contains a roof. Shipping containers are not buildings.

* * * *

EXTERIOR PERIMETER WALL HEIGHT: The existing exterior perimeter wall consisting of the framing members, from and including the foundation and any basement walls, to and including the uppermost floor and top plate of a building. Any portions of the exterior wall for any floor level that is horizontally offset are also included.

* * * *

""

SECTION 3: ESMC § 15-21-3 is amended to read as follows:

"15-21-3: GENERAL PROVISIONS: The following conditions apply to nonconforming uses and structures:

A. Safety: All nonconforming structures may undergo necessary maintenance to provide for their safe and habitable use.

B. Building Removal; Future Use: If any nonconforming building is voluntarily removed, every future use of the land on which the building is located must conform to this Code.

C. Unless otherwise provided by applicable law, a nonconforming use or structure that is damaged or destroyed by fire, earthquake, or other calamity beyond the property owner's control may be re-established subject to the provisions of this title if a building permit is issued within twenty four (24) months of the occurrence of the damage or destruction. All nonconforming rights expire if a building permit is not issued within twenty four (24) months.

D. Building Additions, Alterations, Remodel or Reconstruction: A nonconforming

Page 2 of 7
building or structure may be altered, restored, remodeled or reconstructed, or may include an addition, provided that no more than fifty percent (50%) of the existing original exterior perimeter wall height (as defined) is removed, demolished or replaced. If more than fifty percent (50%) of the existing perimeter wall height and the original foundation is removed, demolished, or replaced, the entire building or structure must be brought into conformity with all current development standards and laws. The foundation must not be removed and a minimum of fifty percent (50%) of the exterior perimeter walls must remain attached to the foundation at all times. Solely removing exterior wall coverings, including wall insulation, electrical wiring, plumbing or interior plaster or drywall finishes does not require that the entire building be brought into conformity with all current development standards within the zone in which the property is located.

E. Minor Exceptions for Building Additions, Alterations, Remodel, or Reconstruction: The Director of Planning and Building Safety may grant administrative adjustments for a reduction of retention of a minimum of fifty percent (50%) of exterior perimeter wall height for life safety repairs or upgrades, regardless of whether those repairs or upgrades exceed the fifty percent (50%) threshold for nonconforming buildings set forth in this section. The upgrades must be incidental and necessary to protect public health and safety. The administrative adjustment must be granted before any removal of any exterior perimeter wall in excess of fifty percent (50%) occurs.”

SECTION 4: ESMC § 15-21-5 is amended to read as follows:

“15-21-5: RESIDENTIAL RESTRICTIONS: All legal or legal nonconforming structures within any residential zone, in existence as of the effective date hereof, which are now legal nonconforming or become legal nonconforming due to changes in the land use designation or zoning criteria under this title, are permitted to continue and remodel or expand, provided all of the following requirements are met:

A. Where a side yard setback is nonconforming, the width of the existing side yard cannot be decreased or made more nonconforming due to remodeling or reconstruction;

B. A nonconforming structure may expand, provided the expansion meets all the applicable criteria of this title; and

C. All new construction and additions where a building or structure is nonconforming and no more than fifty percent (50%) of the existing original exterior perimeter wall height and foundation below is removed, replaced or rebuilt in compliance with this Chapter.”

SECTION 5: ESMC § 15-21-6 is amended to read as follows:
“15-21-6: NONRESIDENTIAL RESTRICTIONS: Except as otherwise provided for the heavy industrial (M-2) zone, all legal or legal nonconforming uses or buildings, in existence as of the effective date hereof, within the nonresidential use categories and all previously designated commercial properties which have been designated multi-family residential zones by the 1992 general plan, with the exception of Smoky Hollow, which are now legal nonconforming or become legal nonconforming due to changes in the land use designation or zoning criteria under this title, are permitted to expand or remodel subject to the following requirements:

SECTION 6: ESMC § 15-24-1 is amended to read as follows:

“15-24-1: GRANTING: Whenever a strict interpretation of the provisions of this title or its application to any specific case or situation pertaining to the following items would result in the unreasonable deprivation of the use or enjoyment of property, an adjustment or an administrative adjustment may be granted, subject to the following restrictions. Adjustments may be granted to allow:

A. A fence, wall, or hedge up to a maximum height of eight feet (8').
B. Architectural landscape features which exceed the standards set forth in Section 15-2-14 of this Title.
C. Signs which exceed the standards set forth in Chapter 18 of this Title.
D. Noise permits which exceed the standards set forth in Section 7-2-11 of this Code.
E. Parking and loading space standards as set forth in Chapter 15 of this Title.
F. Reduction of retention of a minimum of fifty percent (50%) of exterior perimeter wall height and/or deviation from development standards for life safety purposes.
G. Deviation from development standards for reasonable access accommodations.

SECTION 7: ESMC § 15-24-4 is amended to read as follows:

“15-24-4: NECESSARY FINDINGS:

A. No adjustment shall be granted unless the following findings are made:

1. That the proposed adjustment would not be detrimental to the neighborhood or district in which the property is located;
2. That the proposed adjustment is necessary in order that the applicant may not be deprived unreasonably in the use or enjoyment of his property; and

C. 3. That the proposed adjustment is consistent with the legislative intent of this title.

B. Reasonable Access Accommodations. In addition to the three (3) findings above, the following findings must be made before any action is taken to approve or deny a request for a deviation from development standards for reasonable access accommodations:

1. The housing, which is the subject of the request for reasonable accommodation, will be used by an individual protected under the Act.

2. The request for reasonable accommodation is necessary to make specific housing available to an individual protected under the Act.”

SECTION 8: ESMC § 15-24-6 is amended to read as follows:

“15-24-6: ADMINISTRATIVE REVIEW:

Requests for administrative adjustments must be reviewed by the director of planning and building safety or his/her designated representative. A decision on an administrative adjustment must be made and mailed to the applicant within ten (10) working days after the application is deemed complete. The director’s decision is final unless appealed as provided by chapter 25 of this title. Notwithstanding any other provision of this chapter, no public hearing or notification is required for administrative adjustments. Administrative adjustments may be granted to allow:

A. Parking and loading space standards as set forth in Chapter 15 of this Title.

B. Reduction of retention of a minimum of fifty percent (50%) of exterior perimeter wall height and/or deviation from development standards for life safety purposes.

C. Deviation from development standards for reasonable access accommodations.”

SECTION 9: Environmental Assessment. The City Council determines that this Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the “State CEQA Guidelines”) because it consists only of minor revisions and clarifications to an existing zoning code and specification of procedures related thereto and will not have the effect of deleting or substantially changing any regulatory standards or findings
required therefor. The proposed Ordinance is an action that does not have the potential to cause significant effects on the environment, but rather will help reduce the impact of nonconforming uses on the environment. Accordingly, the proposed Ordinance constitutes a Class 1, Class 3, and Class 5 categorical exemption.

SECTION 10: Repeal or amendment of any provision of the ESMC herein 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 11: 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 12: 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 13: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED AND ADOPTED this ___ day of __________, 2011.

________________________
Eric K. Busch, Mayor

ATTEST:

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

I, Cindy Mortesen, 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 __________, 2011, 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 __________, 2011, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

________________________
Cindy Mortesen, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

________________________
Karl H. Berger, Assistant City Attorney

P:\Planning & Building Safety\PROJEZ\10 Planning - Old\PROJECTS \851-879\EA-862\City Council\EA-852.04.05.11.CC.Clean.Nonconforming.Ord.doc
ORDINANCE NO. ____

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE ("ESMC") CHAPTERS 15-1 DEFINITIONS, 15-21 NONCONFORMING BUILDINGS AND USES, AND 15-24 ADJUSTMENTS.

(EA NO. 862 AND ZTA NO. 10-02)

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

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


B. A review of the El Segundo Municipal Code ("ESMC") shows that there are numerous updates that would be prudent to be made to various regulations for zoning and other, similar, matters;

C. This Ordinance is intended to update, clarify, and bring certain provisions of the City's nonconforming building and use regulations into conformance with current policies and procedures;

D. This process was initiated in order to remove the inequity of allowing certain nonconforming buildings and uses within the City to maintain, alter, expand or rebuild a legal nonconforming building or use with a demonstrable good faith attempt to either promptly bring the property or building in compliance with existing laws or continue using the nonconforming building or use;

E. There is a strong public interest in ensuring that such nonconforming uses and buildings be required to comply with current laws and regulations;

F. On February 24, 2011, the Planning Commission considered staff's recommendations and provided staff further direction;

G. On March 15 and April 5, 2011, the City Council considered staff and Planning Commission recommendations;

H. Based upon the evidence collected during the public hearing before the Planning Commission, staff recommendations, evidence submitted during the City Council public hearing, and Council deliberations, it is in the public
interest to adopt this Ordinance to amend the ESMC;

I. The ESMC amendments effectuated by this Ordinance are intended to strike a fair balance between business interests within certain parts of the City and the public's interest in applying the zoning regulations of the ESMC fairly and equitably.

SECTION 2: ESMC § 15-1-6 is amended to read as follows:

"15-1-6: DEFINITIONS:

BUILDING: Any structure used or intended for supporting or sheltering any use or occupancy that is permanently affixed to the ground and contains a roof. Shipping containers are not buildings.

EXTERIOR PERIMETER WALL HEIGHT: The existing exterior perimeter wall consisting of the framing members, from and including the foundation and any basement walls, to and including the uppermost floor and top plate of a building. Any portions of the exterior wall for any floor level that is horizontally offset are also included.

"15-21-3: GENERAL PROVISIONS: The following conditions shall apply to nonconforming uses and structures:

A. Safety: All nonconforming structures may undergo necessary maintenance to provide for their safe and habitable use.

B. Building Removal; Future Use: If any nonconforming building is voluntarily removed, every future use of the land on which the building is located shall must conform to the provisions of this title this Code.

C. Restoration Of Damaged Building: A nonconforming building partially damaged or completely destroyed by fire, explosion or other casualty or act of God or the public enemy may be restored or rebuilt and the occupancy or use of the building or part which existed at the time of the partial or complete destruction may be continued subject to all other provisions existing at the time of original construction. Unless otherwise provided by applicable law, a nonconforming use or structure that is damaged or destroyed by fire, earthquake, or other calamity beyond the property owner's control may be re-established subject to the provisions of this title if a
building permit is issued within twenty four (24) months of the occurrence of the damage or destruction. All nonconforming rights expire if a building permit is not issued within twenty four (24) months.

D. Building Additions, Alterations, Remodel or Reconstruction: A nonconforming building or structure may be altered, restored, remodeled or reconstructed, or may include an addition, provided that no more than fifty percent (50%) of the existing original exterior perimeter wall height (as defined) is removed, demolished or replaced. If more than fifty percent (50%) of the existing perimeter wall height and the original foundation is removed, demolished, or replaced, the entire building or structure must be brought into conformance with all current development standards and laws. The foundation must not be removed and a minimum of fifty percent (50%) of the exterior perimeter walls must remain attached to the foundation at all times. Solely removing exterior wall coverings, including wall insulation, electrical wiring, plumbing or interior plaster or drywall finishes does not require that the entire building be brought into conformance with all current development standards within the zone in which the property is located.

E. Minor Exceptions for Building Additions, Alterations, Remodel, or Reconstruction: The Director of Planning and Building Safety may grant administrative adjustments for a reduction of retention of a minimum of fifty percent (50%) of exterior perimeter wall height for life safety repairs or upgrades, regardless of whether those repairs or upgrades exceed the fifty percent (50%) threshold for nonconforming buildings set forth in this section. The upgrades must be incidental and necessary to protect public health and safety. The administrative adjustment must be granted before any removal of any exterior perimeter wall in excess of fifty percent (50%) occurs.”

SECTION 4: ESMC § 15-21-5 is amended to read as follows:

“15-21-5: RESIDENTIAL RESTRICTIONS: All legal or legal nonconforming structures within any residential zone, in existence as of the effective date hereof, which are now legal nonconforming or become legal nonconforming due to changes in the land use designation or zoning criteria under this title, shall be permitted to continue and remodel or rebuild expand, provided all of the following requirements are met:

A. Where a side yard setback is nonconforming, the width of the existing side yard shall not be decreased or made more nonconforming due to remodeling or reconstruction; and

B. A nonconforming structure may expand, provided the expansion meets all the applicable criteria of this title; and

C. All new construction and additions where a building or structure is nonconforming and no more than fifty percent (50%) of the existing original exterior perimeter wall

Page 3 of 7
height and foundation below is removed, replaced or rebuilt in compliance with this Chapter.”

SECTION 5: ESMC § 15-21-6 is amended to read as follows:

“15-21-6: NONRESIDENTIAL RESTRICTIONS: Except as otherwise provided for the heavy industrial (M-2) zone, all legal or legal nonconforming uses or buildings, in existence as of the effective date hereof, within the nonresidential use categories and all previously designated commercial properties which have been designated multi-family residential zones by the 1992 general plan, with the exception of Smoky Hollow, which are now legal nonconforming or become legal nonconforming due to changes in the land use designation or zoning criteria under this title, are permitted to expand, rebuild or remodel subject to the following requirements:

* * * *

SECTION 6: ESMC § 15-24-1 is amended to read as follows:

“15-24-1: GRANTING: Whenever a strict interpretation of the provisions of this title or its application to any specific case or situation pertaining to the following items would result in the unreasonable deprivation of the use or enjoyment of property, an adjustment or an administrative adjustment may be granted, subject to the following restrictions. Adjustments may be granted to allow:

A. A fence, wall, or hedge up to a maximum height of eight feet (8').

B. Architectural landscape features which exceed the standards set forth in Section 15-2-14 of this Title.

C. Signs which exceed the standards set forth in Chapter 18 of this Title.

D. Noise permits which exceed the standards set forth in Section 7-2-11 of this Code.

E. Parking and loading space standards as set forth in Chapter 15 of this Title.

F. Reduction of retention of a minimum of fifty percent (50%) of exterior perimeter wall height and/or deviation from development standards for life safety purposes.

G. Deviation from development standards for reasonable access accommodations.

* * * *

SECTION 7: ESMC § 15-24-4 is amended to read as follows:

“15-24-4: NECESSARY FINDINGS:

A. No adjustment shall be granted unless the following findings are made:
A. That the proposed adjustment would not be detrimental to the neighborhood or district in which the property is located;

B. That the proposed adjustment is necessary in order that the applicant may not be deprived unreasonably in the use or enjoyment of his property; and

C. That the proposed adjustment is consistent with the legislative intent of this title.

B. Reasonable Access Accommodations. In addition to the three (3) findings above, the following findings must be made before any action is taken to approve or deny a request for a deviation from development standards for reasonable access accommodations:

1. The housing, which is the subject of the request for reasonable accommodation, will be used by an individual protected under the Act.

2. The request for reasonable accommodation is necessary to make specific housing available to an individual protected under the Act."

SECTION 8: ESMC § 15-24-6 is amended to read as follows:

"15-24-6: ADMINISTRATIVE REVIEW:

Requests for administrative adjustments must be reviewed by the director of planning and building safety or his/her designated representative. A decision on an administrative adjustment must be made and mailed to the applicant within ten (10) working days after the application is deemed complete. The director's decision is final unless appealed as provided by chapter 25 of this title. Notwithstanding any other provision of this chapter, no public hearing or notification is required for administrative adjustments. Administrative adjustments may be granted to allow:

A. Parking and loading space standards as set forth in Chapter 15 of this Title.

B. Reduction of retention of a minimum of fifty percent (50%) of exterior perimeter wall height and/or deviation from development standards for life safety purposes.

C. Deviation from development standards for reasonable access accommodations."

SECTION 9: Environmental Assessment. The City Council determines that this Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and the regulations
promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the “State CEQA Guidelines”) because it consists only of minor revisions and clarifications to an existing zoning code and specification of procedures related thereto and will not have the effect of deleting or substantially changing any regulatory standards or findings required therefor. The proposed Ordinance is an action that does not have the potential to cause significant effects on the environment, but rather will help reduce the impact of nonconforming uses on the environment. Accordingly, the proposed Ordinance constitutes a Class 1, Class 3, and Class 5 categorical exemption.

**SECTION 10:** Repeal or amendment of any provision of the ESMC herein 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 11:** 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 12:** 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 13: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED AND ADOPTED this ___ day of __________, 2011.

________________________
Eric K. Busch, Mayor

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

I, Cindy Mortesen, 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 __________, 2011, 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 __________, 2011, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

________________________
Cindy Mortesen, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

Karl H. Berger, Assistant City Attorney
CITY OF EL SEGUNDO

PLANNING COMMISSION STAFF REPORT

PUBLIC MEETING: February 24, 2011

SUBJECT: Environmental Assessment No. EA-862 and Zone Text Amendment (ZTA) No. 10-02

APPLICANT: City of El Segundo

PROPERTY OWNER: Various


PROPERTY INVOLVED: Citywide

I. Introduction

The Planning and Building Safety Department is requesting that the Planning Commission review the proposed ordinance that amends El Segundo Municipal Code ("ESMC") Chapters 15-1 Definitions, 15-21 Nonconforming Buildings and Uses, and 15-24 Adjustments. The proposed amendments to the ESMC would clarify the City's regulations to maintain, alter, expand, or rebuild a legal nonconforming building. Additional provisions are included to allow administrative adjustments for nonconforming buildings for incidental life safety repairs or upgrades and reasonable access accommodations for persons with disabilities.

II. Recommendation

Planning staff recommends that the Planning Commission review the facts as contained within this report and submitted during the public hearing, and then adopt Resolution No. 2689 recommending that the City Council approve Environmental Assessment No. 862 and Zone Text Amendment 10-02.

III. Background History and Analysis

On February 11, 2010, Planning staff initiated an application to prepare amendments to the ESMC to clarify the City's regulations to maintain, alter, expand, or rebuild a legal nonconforming building and clarify when buildings must comply with current ESMC regulations. The amendment is intended to update and clarify certain provisions of the nonconforming building and use regulations; to modify the standards to provide consistency with existing policies
and procedures established through adopted Planning Commission interpretations, and to establish a process for exceptions from the ESMC to address life safety repairs and reasonable access accommodation requirements: Specifically, the proposed amendments will:

- Incorporate the interpretations of the Planning Commission into the ESMC.
- Limit reconstruction of nonconforming buildings that are damaged or destroyed by natural disaster without complying with current zoning regulations to one year from the occurrence of the damage or destruction.
- Allow the maintenance, alteration, expansion or reconstruction of nonconforming buildings or uses with a demonstrable good faith attempt to bring a property or building into compliance with existing laws.
- Establish a maximum limit (50%) for the removal and replacement of the existing perimeter exterior walls of a nonconforming building or structure.
- Allow flexibility to accommodate reasonable access accommodations for persons with disabilities and incidental life safety repairs or upgrades by allowing deviations from development standards.
- Establish an Administrative Adjustment process for deviations from the 50% wall maintenance standard for life safety repairs or upgrades.

Planning Commission Interpretations:

On March 11, 1999 the Planning Commission adopted a zoning interpretation for the repair and maintenance of nonconforming structures. The Planning Commission determined that the extent of maintenance to a nonconforming structure must be limited to fifty percent of the replacement value of the structure within a five-year period. The Planning Commission determined that maintenance repair work which exceeds fifty-percent of the replacement value over a five (5) year period is considered new construction and is subject to all the applicable development standards.

On March 8, 2001 the Planning Commission adopted a zoning interpretation to establish in which cases an existing dwelling unit that is legal-nonconforming as to parking would be required to provide the additional garage area for an expansion or remodel project. A new dwelling unit requires a two-car garage and a new dwelling unit that is greater than 3,000 square-feet of area requires a three-car garage. The Planning Commission approved a determination for the new construction or enlargement of an existing structure when more than 50% of the exterior full height of the walls are removed is to be considered as a new structure and is subject to all the applicable development standards (e.g., a three-car garage must be provided if the new dwelling unit exceeds 3,000 square feet).

The issue of when a building or structure is considered “new” versus “existing” continues to arise and the issue, in staff’s opinion should be clarified and made part of the Municipal Code.
Analysis:

Planning staff reviewed existing non-conforming regulations as well as surveying regulations for nonconforming buildings and uses of other cities to evaluate various options relating to non-conforming regulations.

Typically, cities allow the remodel or expansion of nonconforming buildings, provided that the proposed remodel or expansion does not exceed a maximum 10 to 50% of the building valuation of an existing building, estimated by the Building Official before the entire building or structure must be brought into full conformance with current regulations. Some cities combine both a valuation approach and a maximum limit on the square footage of a building that can be added or remodeled before an entire building or structure must be brought into conformance with current regulations.

The proposed amendments to ESMC Chapter 15-21 would allow for the addition, alteration, remodel or reconstruction of a nonconforming building or structure, provided that no more than fifty percent (50%) of the existing exterior perimeter wall height (as defined) is removed, demolished or replaced as of the effective date of this Ordinance. If more than fifty percent (50%) of the existing perimeter wall height and the original foundation is removed, demolished, or replaced, the entire building or structure must be brought into conformity with all current development standards and laws. Additionally, the proposed amendment would require that the foundation must not be removed and a minimum of fifty percent (50%) of the exterior perimeter walls must remain attached to the foundation at all times. Furthermore, it would also clarify that the sole removal of exterior wall coverings, including wall insulation, electrical wiring, plumbing or interior plaster or drywall finishes would not require that the entire building be brought into conformity with all current development standards within the zone in which the property is located.

The Planning Commission interpretation adopted in 1999 based the 50% demolition and replacement maximum upon valuation. Planning staff recommends that the proposed amendment to the ESMC be based upon a measurement of 50% of the exterior perimeter wall height rather than use valuation. The use of valuation can be subject to some interpretation in determining the cost of construction. Alternatively, the use of exterior perimeter wall height provides certainty by simply measuring the linear distance of exterior perimeter walls being removed and the linear distance of exterior perimeter walls that are retained and calculating the percentage being retained. A definition is proposed to be added to ESMC Chapter 15-1 to clarify what components of the exterior perimeter wall must be retained to qualify for meeting the minimum retention of 50% of the exterior perimeter walls. The proposed definition is as follows:
EXTERIOR PERIMETER WALL HEIGHT: The exterior perimeter wall consisting of the framing members, from and including the foundation and any basement walls, to and including the uppermost floor and top plate of a building. Any portions of the exterior wall for any floor level that is horizontally offset are also included.

The proposed amendment to ESMC Chapters 15-21 and 15-24 would also allow the Director of Planning and Building and Safety to grant administrative adjustments for minor exceptions for building additions, alterations, remodel, or reconstruction in the reduction of the retention of the minimum fifty percent (50%) exterior perimeter wall height for life safety repairs or upgrades and to provide for reasonable access accommodations. This allows for minor deviations because of unforeseen life safety issues in the reconstruction and addition to existing buildings that would result in a building not meeting the necessary structural integrity for safety purposes. State law requires cities to allow reasonable access accommodations to remove unreasonable barriers to providing necessary access for persons with disabilities. This typically would be to accommodate access ramps, elevators, lifts and other devices to provide necessary ingress and egress to buildings. Necessary deviations from ESMC regulations may include intrusion into required setbacks, additional building height, additional lot coverage, and removal of more than 50% of the exterior perimeter walls to retrofit a building for reasonable access accommodations.

This process is similar to the administrative adjustment process established for some deviations from parking standards and the decisions could be appealed to the Planning Commission.

Finally, the proposed amendment includes additional clarification to the ESMC definition of building that a building must be permanently affixed to the ground, contain a roof and that shipping containers are not considered buildings.

BUILDING: Any structure used or intended for supporting or sheltering any use or occupancy that is permanently affixed to the ground and contains a roof. Shipping containers are not considered buildings.

After reviewing the existing provisions in the El Segundo Municipal Code, staff determined that the proposed amendments and additions to the Code as shown in Attachment "A" would provide for the appropriate regulation of nonconforming buildings and uses. The proposed amendments are provided in the attached draft ordinance in "strike-out, underline text" to indicate the language that is being removed (text in strike-out) and the language that is being added (underlined text).
IV. **General Plan Consistency**

The proposed Zone Text Amendment is consistent with the goals, objectives, and policies of the General Plan. Planning staff believes that the Planning Commission can make the findings in order to recommend City Council approval of the proposed amendment. This Zone Text Amendment conforms to the General Plan as specified in the attached resolution.

VI. **Environmental Review**

In accordance with requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations §15301 as a Class 1 categorical exemption (Existing Facilities) which consists of the operation, repair, maintenance or minor alteration of existing structures involving negligible or no expansion of the use, § 15303 as a Class 3 categorical exemption (New Construction or Conversion of Small Structures) which involves the conversion of existing small structures from one use to another where only minor modifications are made to the exterior of the structure, and § 15305 as a Class 5 categorical exemption (Minor Alterations in Land Use Limitations) which do not result in changes in land use or density.

VII. **Conclusion**

Staff recommends that the Planning Commission adopt Resolution No. 2689, which recommends that the City Council adopt the proposed ordinance which amends El Segundo Municipal Code ("ESMC") Chapters 15-1 Definitions, 15-21 Nonconforming Buildings and Uses, and 15-24 Adjustments.

VIII. **Exhibits**

A. Draft Planning Commission Resolution No. 2689
B. Draft Ordinance
C. Planning Commission ESMC Interpretation dated March 11, 1999
D. Planning Commission ESMC Interpretation dated March 8, 2001

---

Kimberly Christensen, AICP, Planning Manager
Planning and Building Safety

Greg Carpenter, Director
Planning and Building Safety

P:\Planning & Building Safety\0 Planning - Old\PROJECTS (Planning)\851-875\EA-862\EA-862.PC.SR.doc
RESOLUTION NO. 2689

A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING THE EL SEGUNDO MUNICIPAL CODE ("ESMC") CHAPTERS 15-1 DEFINITIONS, 15-21 NONCONFORMING BUILDINGS AND USES, AND 15-24 ADJUSTMENTS.

(EA NO. 862 AND ZTA NO. 10-02)

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

A. On February 11, 2010, the City of El Segundo initiated an application for Environmental Assessment No. EA-862 and Zone Text Amendment No. 10-01 for amendments to El Segundo Municipal Code ("ESMC") Chapters 15-1 definitions, 15-21 nonconforming buildings and uses, and 15-24 Adjustments. A draft ordinance implementing the proposed zone text amendments is attached as Exhibit "A," and incorporated by reference;

B. The application was prepared and reviewed by the City's Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the ESMC;

C. In addition, the City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§21000, et seq., "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the "CEQA Guidelines"), and the City's Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

D. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the application before this Commission for February 24, 2011;

E. On February 24, 2011, the Commission held a public hearing to receive public testimony and other evidence regarding the application including, without limitation, information set forth in the staff report. Following the public hearing, the Commission considered the evidence; and

F. This Resolution, and its findings, are made based upon the evidence presented to the Commission at its February 24, 2011, hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.
SECTION 2: Factual Findings And Conclusions. The Commission finds that the proposed ordinance amends various parts of the ESMC regulating nonconforming buildings and uses, without limitation, as follows:

A. It affects all zones in the City of El Segundo.

B. It limits reconstruction of nonconforming buildings that are damaged or destroyed by natural disaster without complying with current zoning regulations to one year from the occurrence of the damage or destruction.

C. It establishes the minimum percentage of the existing original exterior perimeter wall height that must remain for a project to be defined as a remodel of a building and not defined as new construction.

D. It delegates authority to the Planning and Building Safety Director to approve limited reductions in required setback dimensions and exceed height limits for life safety or reasonable access accommodations for the disabled.

E. It clarifies the existing code requirements, improves code predictability, and adds more flexibility to address properties and uses with unique characteristics.

F. It establishes an administrative adjustment process to allow deviations affecting Nonconforming Buildings and Uses within the City.

G. It does not increase the permitted density of development in the City.

SECTION 3: General Plan Findings. As required under Government Code § 65454 the ESMC amendments proposed by the Ordinance are consistent with the City's General Plan as follows:

A. The amendment to the El Segundo Municipal Code relating to the City's nonconforming use regulations conforms with several Land Use Element Goals, Objectives and Policies. Specifically, the amendment is consistent with Goal LU1, Objective LU1-2, and Policy LU1-2.2, in that the amendment to the El Segundo Municipal Code will prevent deterioration and blight within the City by maintaining property at all times in accordance with City of El Segundo codes.

B. The amendment to the El Segundo Municipal Code relating to the City's nonconforming use regulations conforms with Land Use Element Goal LU-1, Objective LU1-3 which allows for the continued operation and orderly conversion of
existing uses as they change to conform with the new land use regulations.

C. The amendment to the El Segundo Municipal Code relating to the City’s nonconforming use regulations conforms with Land Use Element Goal LU5, Objective LU5-3 encouraging the rehabilitation of existing substandard blighted areas through the combined efforts of private and public sectors.

SECTION 4: 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 and to amend regulations pertaining to nonconforming buildings and uses.

SECTION 5: Environmental Assessment. The Planning Commission determines that the proposed ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the “State CEQA Guidelines”) because it consists only of minor revisions and clarifications to an existing zoning code and specification of procedures related thereto and will not have the effect of deleting or substantially changing any regulatory standards or findings required therefor. The proposed Ordinance is an action that does not have the potential to cause significant effects on the environment, but rather will help reduce the impact of nonconforming buildings and uses on the environment. Accordingly, the proposed Ordinance constitutes a Class 1 (existing facilities), Class 3 (new construction or conversion of small structures), and Class 5 (minor alteration in land use limitations).


SECTION 7: Reliance on Record. Each and every one of the findings and determination 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 8: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 9: The Commission Secretary is directed to mail a copy of this Resolution to any person requesting a copy.
SECTION 10: This Resolution may be appealed within ten (10) calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED AND ADOPTED this 24th day of February, 2011.

__________________________
David Wagner, Chairperson  
City of El Segundo Planning Commission

ATTEST:

__________________________
Greg Carpenter, Secretary  

Wagner  
Fellhauer  
Baldino  
Barbee  
Newman

APPROVED AS TO FORM:  
Mark D. Hensley, City Attorney

By: ____________________________  
Karl H. Berger, Assistant City Attorney
ZONING CODE INTERPRETATION

SUBJECT: Repair and Maintenance of Non-conforming Structures.

SECTION #: 20.70.030 /

PAGE #: 290-291

On March 11, 1999, the Planning Commission determined that the extent of maintenance to a non-conforming structure shall be limited to fifty percent of the replacement value of the structure over any five (5) year period. The Zoning Code does not currently state how much construction work, which may include the voluntary removal of non-conforming structural elements, may be done to a non-conforming structure as necessary maintenance to provide for safe and habitable use.

Maintenance repair work which exceeds fifty-percent of the replacement value over a five (5) year period is considered new construction and is subject to the then applicable developments standards.

DATE: 12 March, 1999

BY: Bret B. Bernard, AICP, Director

AD: 99-5
Section 20.54.030 A.(1) of the Zoning Code requires a two-car garage for a single-family dwelling unit, unless the dwelling unit is greater than 3,000 square feet, in which case a three-car garage is required. The Zoning Code only requires a three-car garage for a new dwelling unit and not an expansion or enlargement of an existing unit. The Zoning Code does not define how much of a structure must remain for an expansion or remodel of a house to be considered a remodel instead of a new dwelling unit.

On March 8, 2001, the Planning Commission approved an interpretation of the Zoning Code (AD No. 01-2) that new construction or enlargement of an existing structure when more than 50% of the exterior walls are removed is to be considered as a new structure and is subject to the applicable development standards (e.g., a three-car garage must be provided if the new dwelling exceeds 3,000 square feet). The full height of the walls are to remain to be included in the required 50% of retained walls. This interpretation is to take effect on June 1, 2001.
## CITY OF SAN DIEGO

### Warrants TOTALS BY FUND

#### CITY OF SAN DIEGO

<table>
<thead>
<tr>
<th>Date of Approval:</th>
<th>4/20/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Register:</td>
<td>15</td>
</tr>
</tbody>
</table>

#### WARRANTS TOTALS BY FUND

<table>
<thead>
<tr>
<th>Warrant No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>22014-02</td>
<td>Municipal</td>
<td>1,212</td>
</tr>
<tr>
<td>22014-03</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-04</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-05</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-06</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-07</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-08</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-09</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-10</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-11</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
<tr>
<td>22014-12</td>
<td>Municipal</td>
<td>1,110</td>
</tr>
</tbody>
</table>

**Notes:**
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.

**Advice:**
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
- شهرت یا شهرت ورودی برای استخدام محاسبه ورودی به شرکت شناخته شد.
## CITY OF EL SEGUNDO
### PAYMENTS BY WIRE TRANSFER
#### 3/05/11 THROUGH 03/24/11

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/23/2011</td>
<td>Lane Donovan Golf Ptr</td>
<td>21,966.14</td>
<td>Payroll Transfer (correct prior memo)</td>
</tr>
<tr>
<td>3/7/2011</td>
<td>Cal Pers</td>
<td>444,714.60</td>
<td>Health</td>
</tr>
<tr>
<td>3/9/2011</td>
<td>Cal Pers</td>
<td>273,777.75</td>
<td>Retirement</td>
</tr>
<tr>
<td>3/9/2011</td>
<td>Health Comp</td>
<td>675.22</td>
<td>Weekly claims</td>
</tr>
<tr>
<td>3/10/2011</td>
<td>West Basin</td>
<td>1,337,445.01</td>
<td>H2O payment</td>
</tr>
<tr>
<td>3/15/2011</td>
<td>Health Comp</td>
<td>2,677.75</td>
<td>Weekly claims</td>
</tr>
<tr>
<td>3/15/2010</td>
<td>Unum</td>
<td>457.80</td>
<td>LTD</td>
</tr>
<tr>
<td>3/16/2011</td>
<td>Employment Development</td>
<td>44,223.71</td>
<td>State Taxes</td>
</tr>
<tr>
<td>3/16/2011</td>
<td>Employment Development</td>
<td>4,044.42</td>
<td>State Taxes</td>
</tr>
<tr>
<td>3/16/2011</td>
<td>IRS</td>
<td>200,102.02</td>
<td>Federal Taxes</td>
</tr>
<tr>
<td>3/18/2011</td>
<td>State of CA EFT</td>
<td>1,647.21</td>
<td>EFT Child support payment</td>
</tr>
<tr>
<td>3/18/2011</td>
<td>Nationwide EFT</td>
<td>33,691.24</td>
<td>EFT 457 payment</td>
</tr>
<tr>
<td>3/18/2011</td>
<td>UB</td>
<td>3,752.73</td>
<td>PARS payment</td>
</tr>
<tr>
<td>3/18/2011</td>
<td>Manufacturers &amp; Traders</td>
<td>192.31</td>
<td>IRA payment Vantagepoint</td>
</tr>
<tr>
<td>3/20/2011</td>
<td>La Salle</td>
<td>43,725.00</td>
<td>ABAG</td>
</tr>
<tr>
<td>3/23/2011</td>
<td>Lane Donovan Golf Ptr</td>
<td>20,083.93</td>
<td>Payroll Transfer</td>
</tr>
<tr>
<td>2/18-3/4/11</td>
<td>Workers Comp Activity</td>
<td>39,868.06</td>
<td>SCRMA checks issued</td>
</tr>
</tbody>
</table>

**DATE OF RATIFICATION: 04/05/11**

**TOTAL PAYMENTS BY WIRE:**

2,776,920.43

Certified as to the accuracy of the wire transfers by:

- **Deputy City Treasurer**
- **Director of Finance**
- **City Manager**

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL
MONDAY, FEBRUARY 28, 2011 – 7:00 P.M.

CALL TO ORDER – Mayor Busch at 7:00 p.m.

ROLL CALL

Mayor Busch                     - Present
Mayor Pro Tem Fisher            - Present
Council Member Brann            - Present
Council Member Fuentes          - Present
Council Member Jacobson         - Present

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 before addressing the City Council. Failure to do so is a misdemeanor and punishable by a fine of $250.

Dale Lincoln spoke regarding Los Angeles County Fire services and the possibility of forming a South Bay Fire District.

Liz Garnholz, resident, spoke regarding the Fire Union and contributions to political campaigns.

Jane Friedkin, resident, spoke regarding employee unions. Also spoke against transferring El Segundo Fire to Los Angeles County Fire.

Brian Partlow, resident and Fire Initiative Proponent, requested Council schedule the election to consider the Fire Initiative sooner than the April 2012 municipal election.

Loretta Frye, resident, spoke regarding the community concerns about transferring El Segundo Fire to Los Angeles County Fire.

Ken Longaman, resident, spoke against having a special election to consider Measure P.

Marc Rener, resident, spoke against having a special election to consider Measure P.

Mike Robbins, resident, spoke against having a special election to consider Measure P.

Peggy Tyrell, resident, spoke regarding financial hardships many cities are having and the impact on fire departments.

Mark Hensley, City Attorney, stated that Council would be meeting in closed session pursuant to items listed on the agenda and that the Government Code §54956.9(b) item related to the threat of litigation regarding the Initiative Petition to that would transfer the City’s fire protection services to the County of Los Angeles.

Council moved into closed session at 7:32 p.m.
CLOSED SESSION:
The City Council moved 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:

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -1- matter (threat of litigation regarding the Initiative Petition to that would transfer the City’s fire protection services to the County of Los Angeles); Initiation of litigation pursuant to Government Code §54956.9(c): -1- matter.

Council reconvened to open session at 8:12 p.m.

ROLL CALL:

Mayor Busch - Present
Mayor Pro Tem Fisher - Present
Council Member Brann - Present
Council Member Fuentes - Present
Council Member Jacobson - Present

SPECIAL ORDERS OF BUSINESS:

1. Consideration and possible action regarding reconsideration of the Council’s action taken on February 15, 2011 to place the initiative that would transfer the City’s fire protection services to the County of Los Angeles (“Initiative”) on the April 2012 general municipal election, including, without limitation, consideration of (1) rescinding and/or amending the resolutions adopted at that Council meeting regarding the Initiative; and (2) adopting new resolutions necessary to place the Initiative on a special election (anticipated to be held in May, June or July of 2011) and the resolutions regarding ballot arguments and the City Attorney’s impartial analysis (3) accepting the El Segundo Fire Associations offer to pay the costs of a special election. Alternatively, take other action related to this item. (Placed on the agenda at the request of Councilmember Brann).

MOTION by Council Member Brann, SECONDED by Mayor Busch to adopt the resolution amending Resolution No. 4711, changing the regular election to a Special Municipal Election and changing the date from April 10, 2012 to May 24, 2011. MOTION FAILED BY THE FOLLOWING VOTE: AYES: MAYOR BUSCH AND COUNCIL MEMBER BRANN; NOES: MAYOR PRO TEM FISHER AND COUNCIL MEMBERS FUENTES AND JACOBSON. 2/3

MOTION by Council Member Brann to rescind Resolution 4714, directing the City Attorney to prepare an impartial analysis of the ballot measure regarding amending the El Segundo Municipal Code to transfer all functions of the El Segundo Fire Department to the Consolidated Fire Protection District of Los Angeles County. MOTION FAILED DUE TO A LACK OF A SECOND.
ADJOURNMENT at 8: 40 p.m.

Cindy Mortesen, City Clerk
SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL
MONDAY, MARCH 14, 2011, 5:00 P.M.

CALL TO ORDER – Mayor Busch at 5:00 p.m.

ROLL CALL

Mayor Busch - Present
Mayor Pro Tem Fisher - Present
Council Member Brann - Present
Council Member Fuentes - Present
Council Member Jacobson - Present

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 before addressing the City Council. Failure to do so is a misdemeanor and punishable by a fine of $250.

CLOSED SESSION:
The City Council moved 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:

1. APPOINTMENT OF PUBLIC EMPLOYEE (Gov’t. Code § 54957) -2- matters Position/Title: City Manager and Acting City Manager

2. CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code § 54957.6): -1- matter City Negotiators/Representatives: Eric Middleton, Consultant, and Mark Hensley, City Attorney. Unrepresented Employee: City Manager Candidate

OPEN SESSION:

SPECIAL ORDER OF BUSINESS

3. Consideration and possible action to appoint an Acting City Manager, effective April 1, 2011.

MOTION by Council Member Brann, SECONDED by Council Member Fuentes to appoint Greg Carpenter as Acting City Manager. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/1

ADJOURNMENT at 5:53 p.m.

Cathy Domann, Deputy City Clerk
SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, MARCH 15, 2011 – 6:00 P.M.

CALL TO ORDER – 6:00 p.m.

ROLL CALL

Mayor Busch - Present  
Mayor Pro Tem Fisher - Present  
Council Member Brann - Present  
Council Member Fuentes - Present  
Council Member Jacobson - Present

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 before addressing the City Council. Failure to do so is a misdemeanor and punishable by a fine of $250.

Mayor Busch announced that the City Council would be meeting in Closed Session pursuant to the items listed on the agenda.

CLOSED SESSION:
The City Council moved 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:

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Significant exposure to litigation pursuant to Government Code §54956.9(b): -1- (Threat of litigation from AT&T arising from contractual reimbursement agreement for Douglas Street underpass construction).

Council recessed at 6:50 p.m.

OPEN SESSION

1. SPECIAL ORDERS OF BUSINESS (To be considered after 7:00 p.m., this Special Meeting will be reconvened concurrently with City Council Regular Meeting and considered after first Public Communications on Regular Meeting Agenda)

Council reconvened the Special Meeting of March 15, 2010 at 7:35 p.m. with all Council present.

CONSIDERATION AND POSSIBLE ACTION TO APPOINT DOUGLAS WILLMORE AS CITY MANAGER EFFECTIVE APRIL 16, 2011. (Annual fiscal impact of $218,000 in base salary plus approximately $62,000 in benefits)
Mark Hensley, City Attorney gave a brief staff report.

MOTION by Council Member Brann, SECONDED by Mayor Pro Tem Fisher to appoint Douglas Willmore as City Manager, effective April 16, 2011 and to approve Contract No. 4134. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

ADJOURNMENT at 7:43 p.m.

______________________________
Cindy Mortesen, City Clerk
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 15, 2011 – 5:00 P.M.

5:00 P.M. SESSION

CALL TO ORDER – Mayor Busch at 5:00 p.m.

ROLL CALL

Mayor Busch - Present
Mayor Pro Tem Fisher - Present
Council Member Brann - Present
Council Member Fuentes - Present
Council Member Jacobson - Present

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 moved 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(a) -1- matters

City of El Segundo vs. City of Los Angeles, et. al. LASC Case No. BS094279

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -0- Initiation of litigation pursuant to Government Code §54956.9(c): -1- matter.

DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): - 0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov’t. Code § 54957) -1- matter
Position/Title: City Manager
CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -1-matters

City Negotiators/Representatives: Eric Middleton (Recruiting Consultant) and Mark Hensley, City Attorney
Unrepresented Employee: City Manager Candidate

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0-matters

Council recessed at 6:50 p.m.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 15, 2011 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Busch at 7:00 p.m.

INVOCATION – Father Alexei Smith, St. Andrew Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE – Council Member Carl Jacobson

PRESENTATIONS

a. Council Member Brann announced the Recognition of the Bettye Poland the 2011 Outstanding School Crossing Guard of the Year.

b. Lilly Craig and Rod Spackman of Chevron Products Company announced their sponsorship of the 2011 “Summer of Celebration” Special Event Series including the Fourth of July Community Celebration and Fireworks Spectacular, Concerts in the Park, and Shakespeare by the Sea, and presented a donation check.

ROLL CALL

Mayor Busch - Present
Mayor Pro Tem Fisher - Present
Council Member Brann - Present
Council Member Fuentes - Present
Council Member Jacobson - Present

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.

Julia Lee, Youth Manager for Tree Muskateers, spoke regarding the Arbor Day festivities.

John Copleman, Del Air Neighborhood Association, spoke about their concern about a Walmart on Aviation Blvd.

Kelly Watson, representing the Run for Education, spoke about the Run on Saturday, March 26, 2011, and a carbo-load spaghetti dinner on Friday evening.
Barbara Briney, resident, spoke regarding the wonderful place that El Segundo is to live in. She expressed her gratefulness for the Council and all the public officials who serve the community.

Samuel Pena, Consolidated Waste representative, spoke regarding their service to El Segundo and a possible extension of their contract.

Mike Robbins, resident, spoke about the response to the helicopter crash at Raytheon. He also spoke regarding the signatures on the arguments submitted on Measure P.

City Attorney announced that it is not appropriate for the Council or the speakers to campaign for or against any candidates or measures that will appear on an election ballot.

Marc Rener, resident, spoke regarding an agenda item passed at the last meeting on Southern California Edison. He commented on the fact the funds in the grant are gathered from "rate-payers".

Loretta Frye, resident, spoke regarding statements made by seniors regarding a potential Walmart in El Segundo.

SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, MARCH 15, 2011, 6:00 P.M.

OPEN SESSION

1. SPECIAL ORDERS OF BUSINESS  (To be considered after 7:00 p.m., this Special Meeting will be reconvened concurrently with City Council Regular Meeting and considered after first Public Communications on Regular Meeting Agenda)

Council reconvened the Special Meeting of March 15, 2010 at 7:35 p.m. with all Council present.

CONSIDERATION AND POSSIBLE ACTION TO APPOINT DOUGLAS WILLMORE AS CITY MANAGER EFFECTIVE APRIL 16, 2011. (Annual fiscal impact of $218,000 in base salary plus approximately $62,000 in benefits)

Mark Hensley, City Attorney gave a brief staff report.

MOTION by Council Member Brann, SECONDED by Mayor Pro Tem Fisher to appoint Douglas Willmore as City Manager, effective April 16, 2011 and to approve Contract No. 4134. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

ADJOURNMENT at 7:43 p.m.

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.
MOTION by Council Member Brann, SECONDED by Council Member Jacobson to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action to open a public hearing and receive testimony regarding: 1) an Environmental Assessment (EA No. 911), and 2) a Development Agreement Amendment (DA No. 11-01 (First Amendment to Development Agreement No. 00-02)) to allow an 88,847 square-foot office building at 888-898 North Sepulveda Boulevard. Applicant: Realty Associates Advisors, LLC. (Fiscal Impact: $150,000-$228,000 Contribution to improvements of Sepulveda Boulevard and to other public benefits).

Mayor Busch stated that this was the time and place to conduct a public hearing and receive testimony regarding: 1) an Environmental Assessment (EA No. 911), and 2) a Development Agreement Amendment (DA No. 11-01 (First Amendment to Development Agreement No. 00-02)) to allow an 88,847 square-foot office building at 888-898 North Sepulveda Boulevard. Applicant: Realty Associates Advisors, LLC. (Fiscal Impact: $150,000-$228,000 Contribution to improvements of Sepulveda Boulevard and to other public benefits).

City Clerk Mortesen stated that proper notice had been given in a timely manner and that no written communication has been received in the City Clerk’s Office.

Greg Carpenter, Planning and Building Safety Director, gave a report.

Council directed Staff to enter into negotiations with the developer to place in the agreement to not charge employees for parking to encourage them to park on site and to prohibit parking in residential zones.

MOTION by Council Member Jacobson, SECONDED by Mayor Busch to continue the public hearing to April 5, 2011. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

2. Consideration and possible action to open a public hearing and receive testimony regarding: 1) an Environmental Assessment for a Categorical Exemption; and 2) a Zone Text Amendment amending the El Segundo Municipal Code (“ESMC”) as it relates to nonconforming buildings and structures and to allow administrative adjustments for nonconforming buildings for incidental life safety repairs or upgrades and reasonable access accommodations for persons with disabilities. Applicant: City Initiated (Fiscal Impact: None)

Mayor Busch stated that this was the time and place to conduct a public hearing and receive testimony regarding: 1) an Environmental Assessment for a Categorical Exemption; and 2) a Zone Text Amendment amending the El Segundo Municipal Code (“ESMC”) as it relates to nonconforming buildings and structures and to allow administrative adjustments for nonconforming buildings for incidental life safety repairs.
or upgrades and reasonable access accommodations for persons with disabilities.
Applicant: City Initiated (Fiscal Impact: None)

City Clerk Mortesen stated that proper notice had been given in a timely manner and
that no written communication has been received in the City Clerk’s Office.

Mark Hensley, City Attorney, stated staff has recommended continuing this item to the
next City Council meeting in order to obtain more input from the business community.

Marc Rener, resident, spoke regarding cities being held hostage and the abuse by
certain people forcing the ADA requirements.

MOTION by Council Member Jacobson, SECONDED by Council Member Fuentes to
continue the public hearing to April 5, 2011. MOTION PASSED BY UNANIMOUS
VOICE VOTE. 5/0

C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

Mayor Busch suggested the public check the web site or contact the Council Office at
(310) 524-2302 for applications and information on upcoming vacancies on
Commissions, Committees and Boards.

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.

3. Approved Warrant Numbers 2581264 to 2581453 on Register No. 11 in the total
amount of $455,275.53 and Wire Transfers from 2/18/11 through 3/04/11 in the
total amount of $672,813.30. Authorized staff to release. Ratified Payroll and
Employee Benefit checks; checks released early due to contracts or agreement;
emergency disbursements and/or adjustments; and wire transfers.

4. Approved Regular City Council Meeting Minutes of March 1, 2011.

5. Approved Memorandum of Agreement No. 4130 with the Regional Terrorism
Information Integration System (RTIIS) participating agencies for El Segundo’s
continued participation in the Los Angeles Regional Integrated Law and Justice
Project and authorize the City Manager to execute the appropriate documents.
Additionally, authorize funding to configure and merge CopLink data to the
Tiburon Records Management System (RMS). (Fiscal Impact: $51,000)
Authorized the City Manager to execute the agreement, approved as to form by
the City Attorney. Authorized the use of previously identified monies from the
equipment replacement fund to pay the costs necessary to configure and merge
city POLICE data from the West Covina Service Group RMS to the Tiburon
RMS in an amount not to exceed $51,000.
6. Pursuant to El Segundo Municipal Code 1-7-10, waived the bidding process and authorized the Police Department to replace two Crown Victoria K9 patrol vehicles with new Ford Crown Victoria cars piggybacking on an existing Los Angeles County Sheriff's Department contract. (Fiscal Impact: $66,400)

7. Approved the fee waiver request for the amount of $2,178 from non-profit organization, Broadway in the Park, to waive the facility rental fees associated with a multi-day special event taking place July 24, 2011, through August 1, 2011, at the Softball Field in Recreation Park. (Fiscal Impact: None)

8. Approved the examination plan for Fire Equipment Mechanic. Fiscal Impact: None.

9. Authorized the City Manager to execute Professional Services Agreement No. 4131 with Nexus I.S. in the amount of $75,000 to provide technical support for current projects in the Information Systems division. (Fiscal Impact $75,000)

10. Awarded standard Public Works Contract No. 4132 to Kalban, Inc., for the 2010-2011 annual contract for curb, gutter, sidewalk and other minor improvements at various locations citywide. Approved Capital Improvement Program. Project No.: PW 11-01 (Fiscal Impact: $46,997.86 Gas Tax Funds) Authorized the City Manager to execute the contract in a form as approved by the City Attorney.

11. Received and filed report without objecting to a new Alcoholic Beverage Control (ABC) license for on-site sale and consumption of alcohol (Type 41 Alcoholic Beverage Control License) at a new restaurant (Ragin Cajun) located at 2005 Park Place # B-2. (Fiscal Impact: N/A)

12. Approved Professional Services Agreement No. 4133 with RBF Consulting, to provide environmental review services pursuant to the California Environmental Quality Act (CEQA) for the Raytheon El Segundo South Campus Specific Plan Project. (Fiscal Impact: up to $473,628 Developer Reimbursed Trust Fund) Authorized the City Manager to execute a Professional Service Agreement for environmental review services approved as to form by the City Attorney in an amount not to exceed $473,628.

MOTION by Council Member Fuentes, SECONDED by Council Member Brann to approve Consent Agenda Items 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

CALL ITEMS FROM CONSENT AGENDA

F. NEW BUSINESS

13. Consideration and possible action regarding acceptance of a grant from the Federal Aviation Administration (FAA) of up to $5 Million to be used for the Residential Sound Insulation (RSI) Program.
Greg Carpenter, Director of Planning and Building Safety, gave a report.

MOTION by Council Member Jacobson, SECONDED by Mayor Pro Tem Fisher to accept a grant from the Federal Aviation Administration (FAA) of up to $5,000,000 and authorize the Mayor to execute the FAA Grant Agreement No. 4134. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

G. REPORTS – CITY MANAGER - Extended a welcome and congratulations to the new City Manager Doug Willmore. He also thanked the City Employees and the Council Members he has worked with.

H. REPORTS – CITY ATTORNEY - He also welcomed the New City Manager. Council by unanimous decision settled with AT&T regarding the relocation of the utilities during the Douglas Street underpass construction.

He also announced that he advised the Fire Chief that it was not unlawful to list his title on a ballot argument. He stated he was not aware of any prohibition on using job titles on ballot arguments.

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fuentes – Said good bye to Mr. Wayt, and welcomed Mr. Willmore. She also spoke regarding the evacuation on the Big Island of Hawaii.

Council Member Brann – Thanked Jack Wayt for his service. He also welcomed Doug Willmore.

Council Member Jacobson – Thanked Jack Wayt for his service. He also welcomed Doug Willmore. He also thanked Greg Carpenter for accepting the interim City Manager Position.

Mayor Pro Tem Fisher – Spoke on the Arbor Day tree planting on Douglas Street. Thanked Jack Wayt for his service. He also welcomed Doug Willmore.

Mayor Busch – He spoke regarding the Chamber Installation and Mike Rotolo taking over as President. Thanked Jack Wayt for his service. He also welcomed Doug Willmore. He also spoke on the Japan earthquake and the resulting devastation.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have receive 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.

Ron Swanson, resident, spoke regarding Barbara Briney's comments and supports and echos her comments.

Lorretta Frye, resident, thanked Jack Wayt. She confirmed with the Council that Walmart has not contacted the City.

Liz Garnholz, resident, stated she had never been arrested by Jack Wayt.

Marc Rener, resident, stated that one of the things people watch the most on Cable is the Council Meetings. He felt Mr. Willmore should address the public.

Mike Robbins, resident, spoke regarding Council Member Brann's comments. He also spoke on budget items.

Doug Willmore, new City Manager, stated to was an honor to be allowed to serve El Segundo.

MEMORIALS – NONE

CLOSED SESSION – NONE

ADJOURNMENT AT 8:42 P.M.

___
Cindy Mortesen, City Clerk
AGENDA DESCRIPTION:

Consideration and possible action regarding obtaining a special permit from the City Council to approve Farchitecture BB, LLC doing business as Coolhaus, to peddle ice cream while driving an ice cream truck in the City. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1) Authorize approval of the permit and issue a business license.
2) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: None

Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s):

ORIGINATED BY: Steve Jones, Business Services Manager
REVIEWED BY: Deborah Cullen, Director of Finance
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

A business license registration application was submitted on March 8, 2011 for Farchitecture BB LLC to peddle ice cream from an ice cream truck within the City of El Segundo. This requires a special permit from the City Council to do so.

The Police Records Supervisor, Emma Johnson, performed a background check on the five employees that may be driving the ice cream truck in El Segundo. All five employees have a valid California driver’s license with no outstanding warrants. The business has been confirmed to have a current public health operating permit, a current vehicle registration and insurance. In addition, the business has no Internal Revenue Service holds and there have been no violations.
AGENDA DESCRIPTION:
Consideration and possible action regarding approval of an agreement with Bartel Associates, LLC for actuarial services to determine future medical costs of active and retired employees. (Fiscal Impact: $29,500)

RECOMMENDED COUNCIL ACTION:
1) Authorize the City Manager to execute an agreement with Bartel Associates, LLC, as approved to form by the City Attorney, for actuarial services not to exceed $29,500;
2) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
GASB 45 OPEB Actuarial Valuation Fee Estimate & Data Request

FISCAL IMPACT: Included in Adopted Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$17,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>001-400-2901-6214</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Angelina Garcia, Fiscal Services Manager
REVIEWED BY: Deborah Cullen, Finance Director
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
The City provides postretirement medical benefits to employees who retire directly from the City under CalPERS, with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premium for the medical plan selected by the retiree. For retirees not meeting the eligibility requirement, the City pays only the PEMHCA minimum employer contribution.

Benefit provisions for CalPERS are established and amended through negotiations between the city and the respective unions. Contribution requirements of the plan members and the City are established and may be amended by the City Council. The City's annual other postemployment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statements 45 and 57. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.
To assist in evaluating the potential future cost impact of this benefit staff is requesting to use Bartel Associates, LLC to perform an actuarial analysis that will do the following:

1. Assist staff in determining current and future costs of this benefit by considering future medical premium increases, rate of retirement of current employees, and retiree life expectancy.
2. Comply with the GASB Statements 45 and 57.

Bartel Associates prepared a June 30, 2008 valuation for the 2009/10 and 2010/11 fiscal years. GASB 45 requires that valuations be prepared biennially. The June 30, 2010 valuation can be used for the 2011/12 and 2012/13 fiscal years.

Beginning in 2011, CalPERS will require valuations as of June 30 of each odd numbered year for CERBT GASB 45 reporting. The City will be required to provide a June 30, 2011 valuation. We have discussed with CalPERS the possibility the June 30, 2011 valuation can be avoided for similar agencies, but they have indicated it will be required. That valuation can be used for the 2013/14 and 2014/15 fiscal years, if there are no significant changes during that period.

The two-year cost of these valuations is $29,500:
- $17,500 for the valuation dated June 30, 2010
- $12,000 for the valuation dated June 30, 2011

The $17,500 has been budgeted in the FY 2010-2011 budget. Staff will budget the remaining $12,000 in FY 2011-2012.
March 21, 2011

Deborah Cullen
Director of Finance
City of El Segundo
350 Main Street
El Segundo, CA 90245

Re: GASB 45 OPEB Actuarial Valuation Fee Estimate & Data Request

Dear Ms. Cullen:

Bartel Associates would be pleased to provide the City of El Segundo actuarial consulting services. This letter summarizes the project scope and our fee estimate for June 30, 2010 and 2011 actuarial valuations for the City’s retiree healthcare plan.

Background

Bartel Associates prepared a June 30, 2008 valuation for the 2009/10 and 2010/11 fiscal years. GASB 45 requires that valuations be prepared biennially. The June 30, 2010 valuation can be used for the 2011/12 and 2012/13 fiscal years.

Beginning in 2011, CalPERS will require valuations as of June 30 of each odd numbered year for CERBT GASB 43 reporting. The City will be required to provide a June 30, 2011 valuation. We have discussed with CalPERS the possibility the June 30, 2011 valuation can be avoided for similar agencies, but they have indicated it will be required. That valuation can be used for the 2013/14 and 2014/15 fiscal years if there are no significant changes during that period. If the City prefers a shorter lag period between the valuation date and the ARC fiscal year, the June 30, 2011 valuation can alternatively be used for the 2012/13 and 2013/14 fiscal years.

Estimated Fees

June 30, 2010 Valuation

Our fee to prepare a GASB 45 valuation of the City’s retiree healthcare plan as of June 30, 2010 will be approximately $16,000. While our fee estimate represents the likely cost of the valuation, it is possible that the valuation may require additional time. We understand the City’s budgeting needs and agree not to bill more than $17,500 for the June 30, 2010 valuation unless the project scope changes.

June 30, 2011 Valuation

To reduce fees for the June 30, 2011 valuation, we recommend the same participant census data be used for both the June 30, 2010 and June 30, 2011 valuations if there have been no significant changes to the number and profile of the participants during the year. We have confirmed that this approach is acceptable to CalPERS. The City should confirm that this approach is acceptable to its auditor. Under this approach, our fee to prepare a GASB 45 valuation of the City’s retiree healthcare plan as of June 30, 2011 will be approximately $11,000, with a not-to-exceed amount of $12,000.
The City may want to establish an additional consulting budget for other OPEB projects or studies that may be needed over the next year. The amount of this consulting budget will depend on the City’s expectation for any plan changes, plan design studies, funding policy changes, cost projections, and other day-to-day financial reporting and consulting issues. Alternatively, if no such studies are planned, the City might consider setting up an additional consulting budget of about 20% to 25% of the valuation budget, or $3,500, for example, for unanticipated projects.

Following is a summary of the fees:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>6/30/10</td>
<td>6/30/11</td>
</tr>
<tr>
<td>Valuation &amp; Meeting</td>
<td>$16,000</td>
<td>$16,000</td>
</tr>
<tr>
<td>Credit if Using Same Participant Data</td>
<td>0</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Total Estimated Fee</td>
<td>$16,000</td>
<td>$11,000</td>
</tr>
<tr>
<td>Not-to-Exceed Valuation Fee</td>
<td>$17,500</td>
<td>$12,000</td>
</tr>
<tr>
<td>Additional Consulting Budget (as needed)</td>
<td>3,500</td>
<td>3,500</td>
</tr>
<tr>
<td>Not-to-Exceed Recommended Budget</td>
<td>$21,000</td>
<td>$15,500</td>
</tr>
</tbody>
</table>

Please note that our fee estimate assumes that:

- We will bill the City at the following hourly rates:
  - Partner: $250 - $300
  - Assistant Vice President: $200 - $225
  - Senior Actuarial Analyst: $150
  - Actuarial Analyst: $125
  - Administrative Support: $75
- The June 30, 2011 valuation is prepared at the same time with the June 30, 2010 valuation.
- The City has made no changes to its retiree healthcare plan or healthcare providers since the last actuarial valuation as of June 30, 2008. (Please review the benefit summary from our last valuation results outline and let us know of any changes.)
- Participant census data requested will be provided completely and accurately in an Excel spreadsheet with one record per participant.
- Costs and liabilities will be provided using one funding method and one set of assumptions.
- CalPERS changed the demographic assumptions for PERS agency valuations beginning with the June 30, 2009 valuation for 2011/12 contribution rates based on their recently published 1997 to 2007 experience study. They require the new demographic assumptions be used for OPEB plans funding with CERBT for valuations dated September 1, 2010 and later, with earlier implementation encouraged. Our June 30, 2010 actuarial valuation will use the new CalPERS demographic assumptions and show the impact of the changes.
- The City has not changed its contribution policy since the June 30, 2008 valuation.
- All plan and financial information requested will be provided and is internally consistent.
- We will calculate the Actuarial Value of Assets and estimate the components of the Actuarial Accrued Liability gain or loss since the last actuarial valuation.
- GASB 45 costs and liabilities will be presented for the plan as a whole with breakdowns for Miscellaneous and Safety participants.
We will have one meeting with the City to review the valuation results and will provide a preliminary valuation results discussion outline for the meeting. The discussion outline will summarize the plan provisions, census data, actuarial methods and assumptions, and the valuation results.

- We will provide the actuarial certification, funding policy certification, and Excel valuation information spreadsheet required by CalPERS for CERBT funding along with a certified final results discussion outline.
- There will be no additional charges for expenses (e.g., travel, telephone, copying, etc.). The hourly rates listed above include our costs for these items.
- We will invoice the City monthly based on time incurred, subject to the above maximum fees.

Please note that our fee estimate will be higher if:

- The City had changed its retiree healthcare plan design or has changed healthcare providers since the June 30, 2008 actuarial valuation.
- Participant census data is not complete, accurate, and free from internal inconsistencies or is not provided in an Excel spreadsheet with one record per participant.
- Results are needed separately for additional employee groups.
- Results are needed for additional assumptions, funding methods, contribution policies, or alternative plan designs.
- The City requests additional meetings. We will base our fee for additional meetings on our billing rates and the time needed for the meetings and preparation. For example, a 2-hour meeting where we can use our discussion outline with no additional preparation would cost about $500.
- The City requests a formal valuation report, an executive summary, or a draft financial statement footnote. We estimate that our fees would be $2,000 for a formal valuation report, $1,500 for an executive summary, and $1,000 for a draft financial statement footnote.

Data Requirements

In order for us to begin the GASB 45 valuation, please provide:

- Summary of plan provisions and copies of the most recent MOUs for bargained employee groups and agreements for unrepresented groups, including any changes since the June 30, 2008 actuarial valuation.
- Total pay-as-you-go costs for the 2008/09 and 2009/10 fiscal years. Provide the pay-as-you-go.
- The City’s June 30, 2009 and June 30, 2010 OPEB CAFR footnote and required supplementary information.
- Current active and retiree medical premiums.
- Plan asset information:
  - All quarterly and annual trust statements received from the CERBT Trust.
  - Contributions and dates made and expected to be made for 2008/09, 2009/10 and (actual and expected for) 2010/11.
- Active and retired participant data in electronic format (Excel workbook):
  - Participant data gathered as of June 30, 2010.
  - Active Data - name, employee number, gender, birth date, hire date, medical plans, CalPERS medical plan code, single/2-party/family coverage, CalPERS pension plan (Miscellaneous, Safety), employee classification (full-time or part-time), bargaining or employee group, spouse's birth date (if available), and annual base (or PERSable) compensation. Include any active employees who
have waived healthcare coverage. Note if hours for part-time employees are less than 20 hours per week.

- Retiree Data - name, employee number, gender, birth date, hire date, retirement type (service or disability), retirement date, medical plans, CalPERS medical plan code, single/2-party/family coverage, CalPERS pension plan (Miscellaneous, Safety), bargaining or employee group, spouse's birth date (if available), portion of premium paid by the City, portion of premium paid by the retiree, and whether the participant is a former employee or surviving spouse. Include retirees and surviving spouses of retirees who have retired under CalPERS and participate in PEMHCA even if they are not eligible for a City contribution or have waived coverage.
- In order to maintain confidentiality, do not provide Social Security numbers
- Our fee estimate assumes that the City will merge and reconcile all data files and provide one census file with one complete record for each employee and eligible retiree. If the City needs our help to merge and reconcile data, our fees will be higher.

We may need additional data, depending on our review of the City's retiree medical plan design.

Timing
We are prepared to begin this project immediately. Normally, the valuation results meeting is set about 4-6 weeks after we receive all the requested information and the City replies to any questions we may have after our initial review of the requested data.

We look forward to continue working with you and the City. Please call Bianca Lin (650-377-1604) or me (650-377-1601) with any questions regarding this letter.

Sincerely,

John E. Bartel
President

c: Bianca Lin, Bartel Associates, LLC

 darling eisegundoci 10-06-30 & 11-06-30 opob gasb 45 fee letter.doc
AGENDA DESCRIPTION:

Consideration and possible action regarding adoption of Plans and Specifications for miscellaneous facility repairs. Project No. PW 11-04, PW 11-06 and PW 11-07 (Fiscal Impact: estimated $101,000.00)

RECOMMENDED COUNCIL ACTION:

1. Adopt the attached Plans and Specifications for miscellaneous facility repairs.
2. Authorize staff to advertise the projects for receipt of construction bids.
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Location Map

FISCAL IMPACT: Included in Adopted Budget

| Amount Budgeted: | $26,000.00 plus $75,000.00 fund balance carryover |
| Additional Appropriation: | No |
| Account Number(s): | 405-400-000-6215 |

ORIGINATED BY: Arianne Bola, Engineering Associate & Maryam Jonas Principal Engineer

REVIEWED BY: Stephanie Katsouleas, Public Works Director & Bob Cummings, Recreation and Parks Director

APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:

This heavy rainy season has accelerated the degradation of several roofs, windows, interior walls and gutters at multiple City facilities, resulting in both interior and exterior damage. The facilities and associated repairs needed include:

1. **George E. Gordon Club House**: Replace roofing and gutter/drainage system. Repair interior ceilings, walls and floors damaged by the leaks.
2. **Main Police Dispatch Center**: Perform minor patching and repair to correct leak intrusion at specific roof areas. Perform corresponding inside repairs as needed.
3. **Main Library**: Perform patch and repair to correct roof leak intrusion in specific areas. Address and replace any broken roofing tiles in the field and on ridges. Replace windows with significant frame deterioration. Perform corresponding inside repairs as needed.
4. **URHO SAARI Swim Stadium**: Replace roofing for five small front lower roofs of the building. Refurbish the main roof surface over the pool where minor leaks have been
observed and apply protective roof coating. Repair interior ceilings, walls and floors damaged by the leaks.

5. **Racquet Ball Courts**: Repair water damaged walls and ceilings and apply waterproofing materials to prevent further water damage from occurring.

All of these facilities are heavily utilized by residents and host a variety of recreational and community activities throughout the year. The water intrusion which has escalated with this year's rainy season resulted in significant property damage. Both Recreation and Parks Commission and staff have received complaints about the deteriorating condition of various City facilities including the roof leaks at the plunge and clubhouse and specifically the peeling paint on the walls and playing surface of the racquet ball courts as pictured above. Although staff is able to keep the facilities safe and open with frequent maintenance, such as scraping and sweeping, a more permanent repair is now necessary to prevent further deterioration of these facilities.

In order to protect these facilities from further damage, the roofs and walls must be repaired and/or replaced as identified above. The expected cost for repairs and/or replacement was developed after consultation with several roofing and plaster companies who assessed the extent of the damaged facilities and made recommendations on the repairs necessary.
AGENDA DESCRIPTION:
Consideration and possible action regarding acceptance of the project for the Recreation Park Phase III Field Lighting Project. Project No.: PW10-07
(Fiscal Impact: $223,774)

RECOMMENDED COUNCIL ACTION:
1. Approve change order No. 1 for $8,380.
2. Approve change order No. 2 for $11,584.
3. Authorize the City Manager to accept the work as complete.
4. Authorized the City Clerk to file a Notice of Completion in the County Recorder's Office.
5. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Notice of Completion

FISCAL IMPACT: Included in Adopted Budget

<table>
<thead>
<tr>
<th>Amount Requested:</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>No</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>125-400-3612-6206</td>
</tr>
</tbody>
</table>

ORIGINATED BY:       Maryam M. Jonas, Principal Engineer
REVIEWED BY:         Bob Cummings, Recreation and Parks Director for Stephanie Katsouleas, Public Works Director
APPROVED BY:         Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
On September 7, 2010, the City entered into a public works contract with ACE Electric, Inc. in the amount of $203,810 to replace existing sport lights at the tennis courts, basketball court, roller hockey rink and the quad area north of Checkout Building with new energy efficient lighting and modification to the existing gates to allow mobile equipment access for future maintenance. The Council also approved an additional 10% ($20,381) to cover construction contingencies and change orders.

After start of the construction, staff authorized several changes and upgrades to the project which were not included in the contracted scope of work. These additions total $19,964, for which Change Order No. 1 and 2 are being requested.
Change order No.1 issued for the installation of additional switching zones allowing for the isolation of lighting area in the amount of $8,380 and Change order No. 2 for the repair of the electrical conduits and lights throughout Recreation Park facility including Teen Center in the amount of $11,584.

All work has now been completed to the satisfaction of the City and staff recommends acceptance of the project. The final contract amount is $223,774. This project was funded through a grant received from the Los Angeles County Regional Park and Open Space District (Proposition A 1992 and 1996).
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Recreation Park Phase III Field Lighting
Project No.: PW 10-07

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of El Segundo

3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245

4. The nature of the interest of the owner is: Public Facility Improvements

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on March 24, 2011. The work done was Rehabilitation of field lights at the City Recreation Park

6. On April 5, 2011, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.

7. The name of the Contractor for such work of improvement was: ACE Electric, Inc.,

8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows: Public Facility

9. The street address of said property is: 339 Eucalyptus Street.

Dated: ____________________________

Stephanie Katsouleas
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Director of Public Works/City Engineer of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on _________________, 2011 at El Segundo, California.

Stephanie Katsouleas
Public Works Director
AGENDA DESCRIPTION:
Consideration and possible action to adopt policy changes to the City's Residential Sound Insulation (RSI) Program.
(fiscal impact: savings will allow for treatment of additional homes).

RECOMMENDED COUNCIL ACTION:
1. Authorize proposed changes to the prioritization of homes eligible for funding;
2. Establish an annual "cut-off date" of December 31st for homes to be included in the City's grant applications to LAWA
3. Authorize air conditioning to be eliminated from eligible RSI Improvement and "Owner Upgrade";
4. Authorize Building Safety staff to revise the area for which higher standards are required for residential construction; and/or
5. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Exhibit A: Map of Eligibility Area (divided into green, yellow and red areas)
Exhibit B: Map of Eligibility Area (with green and yellow areas sub-divided)

FISCAL IMPACT: Undetermined

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

ORIGINATED BY: James S. O'Neill, Program Manager
REVIEWED BY: Greg Carpenter, Director of Planning and Building Safety
APPROVED BY: Jack Wayt, City Manager

BACKGROUND AND DISCUSSION:
The City of El Segundo has established its Residential Sound Insulation (RSI) Program to offer owners of residential property most impacted by air traffic noise from Los Angeles International Airport (LAX) improvements to help reduce many of those impacts. Those improvements, such as new windows, exterior doors, and attic insulation, are intended to help prevent exterior noise from interrupting such activities as sleep, conversations and watching television.

For approximately the past five (5) years, those improvements have been funded with grants from the Federal Aviation Administration (FAA) and Los Angeles World Airports (LAWA). Grants from the FAA have been used to cover 80% of eligible expenses (as FAA grants are conditioned upon funds being matched with another funding source that covers at least 20% of eligible expenses), and matched with grants from LAWA.
After the City was notified that the FAA had reduced that area eligible to receive funding, City representatives began meeting with representatives from the Federal Aviation Administration (FAA), Los Angeles World Airports (LAWA), and Congresswoman Jane Harmon’s office to discuss that change. Those discussions have been largely successful, with the FAA agreeing to provide funding for more homes than would have been ineligible under the initial reduction, and LAWA agreeing to provide funding for a significant portion of the area no longer eligible for FAA funding.

With those successes, however, come some challenges. First, LAWA funding for the areas highlighted in yellow on the attached maps is conditioned upon FAA authorization, and FAA has only authorized LAWA funding for this area through December 31, 2015. Secondly, the amount of funding available from LAWA is limited.

A total of $22,500,000 is made available by LAWA each year (through 2015) for sound insulation to three jurisdictions: the Cities of Inglewood and El Segundo, and the County of Los Angeles. This money is distributed to those jurisdictions by means of grants, based on a set percentage when each jurisdiction’s RSI program meets its goals. Those percentages, and annual allocations, are as follows:

- City of Inglewood: 40.83% = $9,187,500
- County of Los Angeles: 34.33% = $7,725,000
- City of El Segundo: 24.83% = $5,587,500

In the event that one or more jurisdictions do not meet program goals, the other jurisdictions can apply for the unused portion, up to a maximum annual allocation of 41% of the $22,500,000, or $9,225,000. Therefore, the City of El Segundo can expect to receive annual allocations of between $5,587,500 and $9,225,000 from LAWA in support of the RSI Program.

Funding received from LAWA is required to be used as the required 20% match for FAA grants received before being spent at a higher percentage of expenditures. To help explain this concept, City staff created the map attached as Exhibit A, with homes in the area highlighted in green being eligible for FAA and LAWA funding, and homes in the area highlighted in yellow being eligible for LAWA funding only. (Homes in the area highlighted in red are no longer eligible for the RSI Program).

**Revisions to Prioritization**

Due to new funding restrictions, it is necessary to revise the prioritization of homes. In an effort to maintain the current prioritization to the greatest extent possible, staff is recommending subdividing the existing priority zones into areas of green or yellow (and red for parts of zone 4 and all of zone 5) to identify the funding each homes qualifies for. City staff developed the map attached as Exhibit B to reflect this proposed change, and areas are defined as follows:

- **Green-1:** previously 1st priority zone, and eligible for FAA and LAWA funding
- **Green-2:** previously 2nd priority zone, and eligible for FAA and LAWA funding
- **Green-3:** previously 3rd priority zone, and eligible for FAA and LAWA funding
- **Yellow-2:** previously 2nd priority zone, and eligible LAWA funding only
- **Yellow-3:** previously 3rd priority zone, and eligible LAWA funding only
- **Yellow-4:** previously 4th priority zone, and eligible LAWA funding only
It is important to track the previous priority zones for technical, policy-related issues, as noted by the example that owners of homes in the “Green-1” area are required to sell a Noise Easement to LAWA as a condition of LAWA funding, whereas owners of homes in the “Green-2” and “Green-3” are not.

Staff is recommending that the waiting list be updated to reflect this change and the order in which homes for which design work has not been started, and additional homes in the future, are treated be determined by those revised priority zones.

Establishing an Annual Application Cut-Off Date

Additionally, LAWA requires the City to list what homes are expected to be treated in each grant application. As grant applications are due by the end of April each year, staff recommends that an “application cut-off date” of December 31st be established, so that program staff will only use applications received prior to December 31st of the previous year for the City’s grant applications to LAWA. For example, for the City’s 2011 grant application, only homes for which applications were received prior to December 31, 2010 would be listed as homes expected to be treated. This would help homes in lower priority areas from continually being “bumped” by new applications throughout the year, and help safeguard against funding being used for homes not included in approved grant applications.

Estimated Annual Construction Rate

Regarding the question of: How many homes will be, or can be, treated by the RSI Program over the next five years? The answer is not simple. The construction rate is a function of many factors. Factors include, but are not limited to, how much funding the City receives each year, how many property owners volunteer to participate, and how much it costs to treat each home.

The City cannot guarantee how much funding will be received each of the next five years. Annual allocations from the FAA have varied between $1,000,000 (in 2003) and $10,000,000 (in 2008), and LAWA funding is expected to vary as described earlier. For the basis of discussion, staff has chosen to use a $5,000,000 annual allocation from FAA (as received recently for 2011) and the conservative amount of $5,587,500 from LAWA, for budget purposes.

Based on a total annual budget estimate of $10,587,500, City staff anticipates a basic budget breakdown of the following:

$6,250,000 for homes in “Green” areas
   ($5 Million FAA grant, and a 20% match of $1.25 Million from LAWA funding)
$4,337,500 for homes in “Yellow” areas
   (the balance of the $5,587,500 LAWA grant, minus the $1.25 Million for matching FAA funding)

With those budgeted amounts, and an average cost of just under $55,000 per home, 112 homes are expected to be treated in “green areas” annually, and 77 homes are expected to be treated annually in “yellow areas,” for a total of 189 homes per year.
At these rates, not all homes currently untreated, or on the waiting list, will be treated within the next five years. At a rate of 112 homes in the “green areas,” only 560 homes would be treated in the next five years – compared to the estimated 1,500 homes that remain untreated, and the approximately 250 that remain on the waiting lists (with funded, but unconstructed projects accounted for.) At a rate of 77 homes in the “yellow areas,” only 385 homes would be treated in the next five years – compared to the estimated 1,800 homes that remain untreated, and the approximately 700 homes that are currently on the waiting list.

Discontinuance of Air Conditioning

Although more funding may be available to the City in one or more of the next five years, it is highly unlikely that enough funding will be available to treat every home in “yellow areas” (for which funding is only available until December 31, 2015.) As such, staff is recommending that air conditioning be eliminated as an offered improvement to homes - both as an offered RSI Improvement, or as an option for owners to pay for (referred to as an “Owner Upgrade” in program documents). Air Conditioning improvements are arguably not required for El Segundo homes based on the overall yearly climate, do not directly reduce the air traffic noise levels experienced inside of homes, and represent significant financial and time savings to the RSI program. (Although financial savings are based largely on bid prices from contractors, it is estimated that air conditioning could represent between $3,000 and $6,000 per home). Although staff understands that this policy change may be widely unpopular amongst homeowners waiting to participate in the RSI Program, the expected financial and time savings will allow more homes to be treated with funding received.

New Construction Requirements

As a condition of funding, the City has adopted an amendment to the Municipal Code that requires significant steps be taken to ensure that builders of new residential construction (new homes and additions to existing homes) within the areas impacted by airport related noise build to higher standards that help ensure a maximum interior noise level. To meet those higher standards, owner and/or builders incur additional expense and, potentially, construction takes longer. Building Safety staff have been enforcing those higher standards for all new residential construction in all areas previously eligible for the RSI Program. With the eligibility area now reduced, staff recommends that the Municipal Code ordinance only be enforced in the green and yellow areas on the attached maps (Exhibits A and B)