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, AUGUST 21, 2012 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

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

CLOSED SESSION:
The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seg.) 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- matter

1. Willmore v. City of El Segundo, LASC Case No. BC48502

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(b): -0- matter.

Initiation of litigation pursuant to Government Code §54956.9(c): -2- matters.

DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): -1- matter

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

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -3- matters

1. Represented Group: Supervisory and Professional Employees Association (SPEA)
   Negotiator: Greg Carpenter, City Manager

2. Unrepresented Group: Executive Management Group (City Department Heads)
   Negotiator: Greg Carpenter, City Manager

3. Unrepresented Group: Management Confidential Group (Non-represented, non-department head employees)
   Negotiator: Greg Carpenter, City Manager
CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -1-
matters

1. Sale or Lease of City Owned Property (Price and Terms):
   Real Property: City owned parking lot at Corner of Main Street and Grand Avenue (Assessor Parcel Number: 4135-003-901)
   City's Negotiator: Greg Carpenter, City Manager
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, AUGUST 21, 2012 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Lee Carlile, Pastor – United Methodist Church

PLEDGE OF ALLEGIANCE – Council Member Fisher
PRESENTATIONS

a) Presentation by Denise DiPasquale, South Bay Workforce Investment Board member will give quarterly board meeting update.

ROLL CALL

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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 open a Public Hearing, consider testimony, and adopt a Resolution finding that the City conforms with the annual Congestion Management Program (CMP) and adopting the annual CMP Local Development Report, in accordance with California Government Code § 65089. (Fiscal Impact: None)
Recommendation – 1) Open Public Hearing; 2) Discussion; 3) Adopt Resolution; and/or 4) Alternatively, discuss and take other possible related action to this item.

C. UNFINISHED BUSINESS

2. Consideration and possible action to direct staff to proceed with the Smoky Hollow Implementation Plan and to provide semi-annual updates as to the progress of implementation. (Fiscal Impact: Estimated at $426,000 ($176,000 FY 2012/2013; $250,000 FY 2013/2014))
Recommendation – 1) Receive and file presentation; 2) Approve staff recommendation to carry out the Smoky Hollow Implementation Plan; and/or 3) Alternatively, discuss and take other action related to this item.
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 2588629 - 2588832 on Register No. 21 in the total amount of $874,547.22 and Wire Transfers from 7/20/12 through 8/02/12 in the total amount of $1,824,179.64.

Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.


Recommendation – Approval.

5. Consideration and possible action regarding the adoption of Ordinance No. 1470 approving the 222 Kansas Street Specific Plan project by adopting Specific Plan Amendment No. 12-01; Zone Change No. 12-01; Zone Text Amendment No. 12-01; and approving Development Agreement No. 12-01; Subdivision No. 12-02 (Vesting Tentative Map No. 71903); and Site Plan Review No. 12-01 on the site located at 222 Kansas Street. Applicant: Mar Ventures, Inc. on behalf of SMPO Lab, LLC.

(Fiscal Impact: $450,000 Developer Contribution)

Recommendation – 1) Waive second reading and adopt Ordinance No. 1470; and/or 2) Alternatively, discuss and take other possible action related to this item.

6. Consideration and possible action regarding a request from the City of Torrance to modify Torrance Transit Line 8 to include four new bus stops within the City of El Segundo and affix signage accordingly.

(Fiscal Impact: None)

Recommendation – 1) Adopt a resolution for establishing new bus stops for Torrance Transit Line 8 per CVC 22500(i) and ESMC 8-5-3(D); 2) Approve the request to allow Torrance Transit to make additional bus stops in the City of El Segundo and affix the appropriate signage at each stop; 3) Alternatively, discuss and take other action related to this item.
7. Consideration and possible action regarding a request from the El Segundo Kiwanis Club to operate a Beer Garden in the food court section of the Kiwanis sponsored 36th Annual Richmond Street Fair on Saturday, September 22, 2012 from 11:00 am – 5:00 pm.  
(Fiscal Impact: None)

Recommendation – 1) Approve the request from the El Segundo Kiwanis Club to operate a Beer Garden in the food court section of the 36th Annual Richmond Street Fair, subject to compliance with all Alcohol Beverage Commission regulations and permits; 2) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action regarding acceptance of Energy Efficiency Lighting Retrofit Project. Project No. PW 12-01 (Fiscal Impact: $93,264.00)

Recommendation – 1) Accept the project as complete and authorize the City Clerk to File a Notice of Completion in the County Recorder’s office; or; 2) Alternatively, discuss and take other action related to this item.

CALL ITEMS FROM CONSENT AGENDA

F. NEW BUSINESS

9. Consideration and possible action to direct staff to take steps necessary to seek input from various City Committees regarding a potential agreement with Centercal Properties, LLC for enhancing the driving range and dining facilities at The Lakes Golf Course which would be operated by Top Golf. The agreement would be negotiated by the City Manager and City Attorney and presented for review and potential approval by the City Council at a future date.
(Fiscal Impact: To Be Determined)

Recommendation – 1) Receive and file presentation; 2) Direct staff to seek input from the Golf Course Subcommittee, Recreation and Park Commission, and Economic Development Advisory Committee for regarding a potential agreement by and between the City of El Segundo Centercal Properties, LLC; 3) Direct the City Manager and City Attorney to negotiate terms of an agreement with Centercal Properties, LLC for a new Top Golf facility to be located at The Lakes in place of the existing driving range; 4) Alternatively, discuss and take other action related to this item.
10. Consideration and possible action to approve conceptual designs for the Maple Ave. Rehabilitation Project so that staff can direct APA Engineering to move forward with developing plans and specifications for the street improvement project.
(Fiscal Impact: None)

Recommendation – 1) Approve conceptual designs for Maple Ave. Rehabilitation Project; or 2) Alternatively, discuss and take other possible 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 Fellhauer –
   Council Member Atkinson –
   Council Member Fisher –
   Mayor Pro Tem Fuentes –
   Mayor Jacobson –

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MEMORIALS –
CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 8-15-12
TIME: 1:40 pm
NAME: [Signature]
AGENDA DESCRIPTION:
Consideration and possible action to open a Public Hearing, consider testimony, and adopt a Resolution finding that the City conforms with the annual Congestion Management Program (CMP) and adopting the annual CMP Local Development Report, in accordance with California Government Code § 65089. (Fiscal Impact: None).

RECOMMENDED COUNCIL ACTION:
1. Open Public Hearing;
2. Discussion;
3. Adopt Resolution; and/or
4. Alternatively, discuss and take other possible related action to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft Resolution
2. 2012 Local Development Report

FISCAL IMPACT: None

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

BACKGROUND AND DISCUSSION:

I. Background

The Congestion Management Program (CMP) became effective with voter approval of Proposition 111 in June 1990. The CMP is a tool to facilitate coordination between transportation and land use decisions. It requires agencies to weigh the impacts of traffic generated by developments and requires the mitigation of additional congestion. In accordance with State law the Los Angeles County Metropolitan Transportation Authority (MTA) Board has adopted the CMP for Los Angeles County. Cities within the County are required to comply with the adopted CMP or risk the loss of Gas tax revenues received pursuant to Proposition 111. The City received $515,756.70 of tax revenue last year.
The Los Angeles County MTA requires that by September 1st of each year, local agencies submit a self-certification Resolution and a Local Development Report pursuant to a noticed public hearing as required by State law.

The self-certification Resolution consists of the following:

1. A finding that the City is in conformance with the CMP.

2. Certification that the City will continue to implement the Transportation Demand Management Ordinance. (ESMC Chapter 15-16).

3. Certification that the City will continue to implement a Land Use Analysis Program. (City Council Resolution No. 3805).


In previous years, the CMP required the City to calculate the total debits and credits accruing from building and demolition permits and transportation improvement strategies and to maintain a positive credit balance. The City’s credit balance as of May 31, 2003 was 6,642. On February 18, 2004, MTA suspended the requirement that cities maintain a positive credit balance and suspended the requirement to calculate credits and debits resulting from construction activity and transportation improvements strategies while it prepares a nexus study to explore the feasibility of implementing a congestion mitigation fee to meet CMP Deficiency Plan requirements. The City’s current credit balance remains frozen until MTA completes its study.

Metro staff and their consultants are continuing work on a proposed Congestion Mitigation Fee. The Congestion Mitigation Fee would be a one time fee applied to all types of new development. Metro staff is scheduled to complete the Final Draft Pilot Study within the next couple of weeks and they will be distributing it to the SBCCOG and city agency staff for review. If authorized by the LACMTA, locally adopted Congestion Mitigation Fee Programs that meet the CMP compliance requirements would replace the currently suspended Debit-Credit Methodology of the CMP Deficiency Plan. Cities that complied would retain their annual Section 2105 gas tax revenue and would ensure their eligibility for the Metro Call-For-Projects eligibility. El Segundo has a locally adopted traffic mitigation fee that is a one time fee applied to new development. Planning and Public Works staff have been coordinating with LACMTA staff to ensure the eligibility and CMP compliance of its existing traffic mitigation fees. The proposed program would: 1) require approval by MTA and local jurisdictions; 2) provide cities credit for existing fee programs; and 3) delegate local control to each jurisdiction to collect fees and control the revenue to implement projects while maintaining annual reporting to MTA. Local implementation would follow completion of the nexus study and adoption of the study by the LACMTA Board.

On October 28, 2010 the Metro Board adopted the 2011 CMP for Los Angeles County. The 2011 CMP summarizes the results of 19 years of CMP highway and transit monitoring and 16 years of monitoring local growth. CMP implementation guidelines for local jurisdictions are also contained in the 2011 CMP. The LACMTA Board of Directors anticipates completion of CMP conformance review will be at its February 2013 meeting. Local implementation would follow completion of the nexus study and adoption of the study by the LACMTA Board.
In odd-numbered years the City is required to submit traffic count data for one selected arterial intersection. In even-numbered years the City is not required to submit traffic counts. This year the City is only required to report the number of new dwelling units permitted and the floor area of new non-residential buildings and demolitions. The attached Local Development Report summarized the development activity for the June 1, 2011 to May 31, 2012 reporting year.

The development activity for this reporting year added 112,366 total square feet of non-residential building area to the City. The three major commercial developments for this year’s reporting period were the new five-story 83,855 square foot Hyatt Place hotel with 143 guestrooms, a 37,000 square-foot office building for Chevron, and a 10,334 square-foot office addition for Stamps.com. New development this year in the Smoky Hollow Specific Plan added a total of 2,008 square feet of office use area and 1,480 square feet of industrial use area. The residential projects for this year included two net new single-family dwelling units and twelve net new multi-family residential dwelling units.
RESOLUTION NO. ______

A RESOLUTION FINDING THE CITY TO BE IN COMPLIANCE WITH THE CONGESTION MANAGEMENT PROGRAM (CMP) AND ADOPTING THE LOCAL DEVELOPMENT REPORT IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE § 65089.

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

SECTION 1: The City Council finds that:

A. The Los Angeles County Metropolitan Transportation Authority ("LACMTA"), acting as the Congestion Management Agency for Los Angeles County, adopted the 2004 Congestion Management Program ("CMP") on July 22, 2004;

B. As adopted, the CMP statute requires that LACMTA annually determine that Los Angeles County and cities within the County conform with all CMP requirements;

C. The CMP requires municipalities within Los Angeles County to submit Local Development Reports to the LACMTA by September 1 of each year;

D. The City Council held a noticed public hearing on August 21, 2012 during which it considered the evidence presented by staff and the public regarding how the City has implemented measures designed to mitigate the impacts of traffic congestion resulting from new development;

E. Based upon the August 21, 2012 public hearing, the City Council determined that:

1. The City has taken actions in conformance with all applicable requirements of the 2010 CMP adopted by the LACMTA Board on October 28, 2010;

2. By June 15 of odd-numbered years the City conducts annual traffic counts and calculated levels of service for selected arterial intersections, consistent with the requirements identified in the CMP Highway and Roadway System Chapter;

3. The City adopted and continues to implement a transportation demand management ordinance consistent with the minimum requirements identified in the CMP Transportation Demand Management Chapter;

4. The City adopted and continues to implement a land use analysis program consistent with the minimum requirements identified in the CMP Land Use Analysis Program Chapter; and

5. The City adopted a Local Development Report, which is attached as Exhibit "A," and incorporated by reference, consistent with the
requirements identified in the 2010 CMP. This report balances traffic congestion impacts due to growth within the City with transportation improvements, and demonstrates that the City meets its responsibilities under the County-wide Deficiency Plan consistent with the LACMTA Board adopted 2003 Short Range Transportation Plan.

SECTION 2: In accordance with its findings, the City Council determines that the City of El Segundo is in compliance with all requirements of the CMP adopted by the LACMTA Board on October 28, 2010.

SECTION 3: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 4: This Resolution will take effect immediately upon adoption.

PASSED AND ADOPTED this 21st day of August, 2012.

Carl Jacobson, Mayor
City of El Segundo

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

By: Karl H. Berger, Assistant City Attorney
ATTEST:

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

I, Trayci Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _________ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the 21st day of August 2012, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Trayci Weaver, City Clerk
CITY OF EL SEGUNDO
2012 CMP Local Development Report
Reporting Period: JUNE 1, 2011 - MAY 31, 2012

Contact: Kimberly Christensen, AICP
Phone Number: (310) 524-2340

CONGESTION MANAGEMENT PROGRAM
FOR LOS ANGELES COUNTY

2011 DEFICIENCY PLAN SUMMARY

* IMPORTANT: All "#value!" cells on this page are automatically calculated.
Please do not enter data in these cells.

<table>
<thead>
<tr>
<th>DEVELOPMENT TOTALS</th>
<th>Dwelling Units</th>
<th>Commercial Development Activity</th>
<th>1,000 Net Sq.Ft.</th>
<th>Non-Retail Development Activity</th>
<th>1,000 Net Sq.Ft.</th>
<th>Other Development Activity</th>
<th>Daily Trips</th>
<th>Exempted Development Totals</th>
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<td>Multi-Family Residential</td>
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<td></td>
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2. Net square feet is the difference between new development and adjustments entered on pages 2 and 3.
# CITY OF EL SEGUNDO

## 2012 CMP Local Development Report

**Reporting Period:** JUNE 1, 2011 - MAY 31, 2012

Enter data for all cells labeled "Enter." If there are no data for that category, enter "0."

## PART 1: NEW DEVELOPMENT ACTIVITY

### RESIDENTIAL DEVELOPMENT ACTIVITY

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<tr>
<th>Category</th>
<th>Dwelling Units</th>
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<tr>
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<td>Multi-Family Residential</td>
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### COMMERCIAL DEVELOPMENT ACTIVITY

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<td>Freestanding Eating &amp; Drinking</td>
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### NON-RETAIL DEVELOPMENT ACTIVITY

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### OTHER DEVELOPMENT ACTIVITY

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CITY OF EL SEGUNDO

2012 CMP Local Development Report
Reporting Period: JUNE 1, 2011 - MAY 31, 2012

Enter data for all cells labeled "Enter." If there are no data for that category, enter "0."

PART 2: NEW DEVELOPMENT ADJUSTMENTS

IMPORTANT: Adjustments may be claimed only for 1) development permits that were both issued and revoked, expired or withdrawn during the reporting period, and 2) demolition of any structure with the reporting period.

RESIDENTIAL DEVELOPMENT ADJUSTMENTS

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<tr>
<th>Category</th>
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COMMERCIAL DEVELOPMENT ACTIVITY

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NON-RETAIL DEVELOPMENT ACTIVITY

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OTHER DEVELOPMENT ACTIVITY

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### Exempted Development Definitions:

1. **Low/Very Low Income Housing:** As defined by the California Department of Housing and Community Development as follows:
   - Low-Income: equal to or less than 80% of the County median income, with adjustments for family size.
   - Very Low-Income: equal to or less than 50% of the County median income, with adjustments for family size.

2. **High Density Residential Near Rail Stations:** Development located within 1/4 mile of a fixed rail passenger station and that is equal to or greater than 120 percent of the maximum residential density allowed under the local general plan and zoning ordinance. A project providing a minimum of 75 dwelling units per acre is automatically considered high density.

3. **Mixed Uses Near Rail Stations:** Mixed-use development located within 1/4 mile of a fixed rail passenger station, if more than half of the land area, or floor area, of the mixed use development is used for high density residential housing.

4. **Development Agreements:** Projects that entered into a development agreement (as specified under Section 65864 of the California Government Code) with a local jurisdiction prior to July 10, 1989.

5. **Reconstruction or Replacement:** Any residential or non-residential structure which is damaged or destroyed, to the extent of > or = to 50% of its reasonable value, by fire, flood, earthquake or other similar calamity.

6. **Any projects of a federal, state or county agency that is exempt from local jurisdiction zoning regulations and where the local jurisdiction is precluded from exercising any approval/disapproval authority. These locally precluded projects do not have to be reported in the LDR.
AGENDA DESCRIPTION:

Consideration and possible action to direct staff to proceed with the Smoky Hollow Implementation Plan and to provide semi-annual updates as to the progress of implementation. (Fiscal Impact: Estimated at $426,000 ($176,000 FY 2012/2013; $250,000 FY 2013/2014))

RECOMMENDED COUNCIL ACTION:

1. Receive and file presentation;
2. Approve staff recommendation to carry out the Smoky Hollow Implementation Plan; and/or
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

2. Smoky Hollow Implementation Plan Matrix

FISCAL IMPACT: Estimated at $426,000 ($176,000 FY 2012/2013; $250,000 FY 2013/2014)

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): 708-200-2402-3816 ($420,000); 001-400-2401-6201 ($6,000)

ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
Ted Shove, Economic Development Analyst

REVIEWED BY: Sam Lee, Director of Planning and Building Safety

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

I. Introduction

The City Council directed staff to hire a consultant to undertake a third party evaluation of the Smoky Hollow Specific Plan. The City hired the Urban Land Institute which is an organization comprised of industry professionals with expertise closely matched to the identified challenges in the Smoky Hollow Specific Plan. Specifically, the Urban Land Institute assembled a Technical Assistance Panel (TAP) to have a better understanding of what the City can do to encourage the “right type” of development that improves the area, responds to market forces and creates the sense of a unique mixed office/industrial district. The TAP members assembled for this project are considered experts in their respective fields encompassing: public private partnerships, marketing, economics, urban planning and complex real estate issues.
II. **Background**

The TAP specifically addressed the following questions:

1. Within the district, what uses should be encouraged and where should they be located within the district?
2. Given the relatively small lot sizes, what can the City do to help address the higher parking demand of commercial uses? Can streets be converted to one-way to increase on-street parking?
3. What can the City do to improve the identity/brand of the district and to attract tenants and owners?
4. How should the district relate to the surrounding land uses including the Chevron refinery, the El Segundo downtown, adjacent residential uses and the Sepulveda/PCH commercial frontage?
5. Is there a financing tool available to make public improvements or for the City to purchase property for parking and blight removal? How can the City encourage reinvestment in properties?

The TAP convened on March 29-30th, 2012 to participate in a narrated tour with City staff, interview stakeholders, synthesize background materials and collectively formulate findings and recommendations based upon the input received and direct observation. The TAP prepared a public forum presentation on March 30th, 2012. This presentation was refined and presented to the City Council on June 19th, 2012. City staff was directed by City Council to formulate an implementation plan based upon the ULI TAP’s final report received on July 5, 2012.

III. **Analysis**

The final report outlined a series of five major tasks that include: the comprehensive analysis of existing parking inventory and the creation of a comprehensive parking program tailored to Smoky Hollow; updating/re-writing the existing Smoky Hollow Specific Plan; addressing fiber optic infrastructure needs; marketing and branding of the Smoky Hollow area; and development of a public-private partnership with Chevron for Smoky Hollow revisions/enhancements. Staff has evaluated the five major tasks outlined in the final report that are discussed in greater detail below. Additionally, a detailed Implementation Plan Matrix (Exhibit 2) is attached to this report that lists the five major tasks and the sub-tasks for each major task along with the estimated timing, estimated cost, and staff/consultant resources needed.

I. **Creation of a Comprehensive Parking Program Tailored to Smoky Hollow**

Upon reviewing the proposed methodology and level of detail required to create baseline data, staff anticipates that these tasks can be completed primarily using in-house Planning staff resources in 12-24 months with limited direct out-of-pocket expenses. Alternatively, use of outside consultant services would shorten the time frame to complete this task but could add significantly to the cost of the planning effort. This major task would also require support from Public Works, Code Enforcement, Police, and Economic Development staff. Some limited outside consultant services may be
needed to evaluate the current cost to construct parking spaces (at-grade and in parking structures) to assist with the development of a parking in-lieu fee program and to provide parking demand analysis based upon the results of the parking inventory estimated at a maximum of $20,000.

This task may be completed prior to or concurrently with the update of the existing Smoky Hollow Specific Plan. For this major task, a series of specific tasks include: perform a parking inventory: determine parking needs for both existing tenants and desired uses; conduct a block-by-block study to determine additional public parking available in public right-of-way; identify public rights of way being used by auto repair and auto body facilities to store vehicles awaiting further repairs: target enforcement action and encourage businesses to conform to their existing entitlement approvals; perform a site analysis effectively identifying shared and joint-use parking opportunities; identify sites throughout Smoky Hollow to create new satellite parking lots for offsite parking; contemplate a parking district for Smoky Hollow; and determine the best financial instrument for parking district(s).

II. Update the Existing Smoky Hollow Specific Plan

This major task would be the next logical step in the progression of implementation of the findings and recommendations by the ULI TAP final report. The specific sub-tasks include: create new vision for Smoky Hollow; identify preferred land uses; upward adjustments to intensity (floor area ratio); revise and/or implement parcel consolidation opportunities; identify areas as centers for activity; rewrite existing development standards; and prepare an Environmental Impact Report (CEQA document).

Due to the complex and time-intensive nature of these tasks and the expertise needed in a wide range of disciplines for the Environmental Impact Report, Planning staff recommends retaining a planning and environmental consultant. Planning staff will provide contract administrative services; direction of the consultant; review of all environmental documents, technical studies, drafting of specific plan text; oversight of the community participation process; and preparation of notices, staff reports, and various other documents. Staff anticipates that the update of the Smoky Hollow Specific Plan will require approximately 18 to 24 months to complete depending upon the time allocated for community outreach and drafting of the Specific Plan.

III. Addressing Fiber Optic Infrastructure Needs

The ULI TAP identified the lack of adequate internet infrastructure as an opportunity for the City. Currently, the City has staff-developed preliminary plans to place fiber optic lines in ‘open trenches’ but without any specific purpose with respect to private utilization of the infrastructure. The TAP findings focused their recommendations of staff developing a formal program to seize on the opportunity by dropping in fiber optic infrastructure when opportunities present themselves. Fiber optic connectivity can support the needs of the market driven creative users seeking new locations from outside of the area to within Smoky Hollow. Staff recommends developing the necessary programming to establish cost and administration recovery through monthly premiums for fiber optic-internet connectivity. After staff review of the ULI TAP’s findings,
specific tasks range from 45 days up to 9 months for completion of tasks, to include establishing contracts with designated prime contractors for short and long installation runs to maximize cost efficiency. These specific sub-tasks were outlined in the ULI TAP final report as follows: develop program to ensure conduit is set in place anytime an open trench is available to install fiber optic internet conduit; develop a program to recapture costs with constructing internet facilities; and contemplate Wi-fi hot spot locations. Additionally, staff would use this opportunity to explore other wireless solutions as well.

IV. Marketing and Branding of the Smoky Hollow Area

While the ULI TAP indicated that word-of-mouth would be the primary source of marketing, there were specific marketing and branding activities identified to maintain ‘buzz’ for the Smoky Hollow area. These tasks may be completed in concert with resource partners such as the El Segundo Chamber of Commerce; however, partial funding resources will be required. Staff can only fully develop and implement these programs with annual funding of $6,000/year which may be reserved as part of the Economic Development Marketing Budget on an annual basis. The funding and staff resources would include development and implementation of the following: develop a Smoky Hollow specific ribbon-cutting program, industry specific targeted marketing through trade publications (attraction); and industry specific targeted marketing through trade show presence (attraction). Additionally, staff recommends that a banner and gateway signage program be developed to further brand the Smoky Hollow area. Based upon staff’s recent experience with design and printing of banners for the Downtown, staff anticipates that $10,000 to $15,000 would be needed for a banner and gateway sign program for Smoky Hollow. Should Council wish to also include permanent gateway signage, staff could obtain estimates for design and construction once locations and numbers of signs are determined. Should Council direct staff to pursue a banner and gateway sign program for Smoky Hollow, a funding source would need to be identified.

V. Encouragement of a public-private partnership with Chevron for Smoky Hollow Development

The ULI TAP indicated that Chevron would be a great resource for the full implementation of the findings and recommendations outlined in their report. Specific tasks are outlined that involve assistance from Chevron. While Chevron may be a viable option, it may be in the best interest of the City and revitalization of Smoky Hollow to consider all potential sources of funding including grants from various governmental agencies. The specific tasks outlined by the ULI TAP involving Chevron include: encourage Chevron to participate by providing seed money/resources for the Specific Plan revisions; encourage Chevron to assist in strategic acquisition of real property for parking purposes (non-Chevron employees); encourage Chevron to underwrite/participate in formation of Smoky Hollow Parking District; and encourage shared parking opportunities with Chevron such as the lot on the northeast corner of El Segundo Boulevard and Main Street. The City Manager’s office and a City Council subcommittee are involved in discussions with Chevron regarding some of these issues.
IV. Conclusion and Recommendation

Based upon the findings and recommendations from the ULI TAP’s final report, staff recommends proceeding with all five major tasks. Staff recommends that Planning Division staff be directed to prepare an RFP for consultant services for planning and environmental review for the Update of the Smoky Hollow Specific Plan. Funding for the update of the Specific Plan can be provided through the General Plan Maintenance Fund. As of August 14, 2012, the balance of the General Plan Maintenance Fund is $331,240.38. The General Plan Maintenance Fund (“Fund”) increases by a variable amount each year but averages approximately $80,000 to $100,000 a year. The total accrued to date in Fiscal Year (FY) 2011/2012 is $109,157.96.

Although revenues from the General Plan Maintenance Fund will be needed to fund the State mandated Update of the Housing Element in FY 2012/2013, Planning staff estimates that approximately $70,000 will be needed leaving a net Fund balance of approximately $260,000 available for other General Plan updates including the Smoky Hollow Specific Plan Update. Additionally, an additional amount of approximately $40,000 to $50,000 should accrue by the proposed January 2013 update start date. Based upon average annual increases in the Fund balance, sufficient revenue should be available over the 2-year duration needed to complete the Smoky Hollow Specific Plan Update without the need to allocate funding from the General Fund. The cost and more precise estimates of the time to complete the Smoky Hollow Specific Plan update will be provided when the Council selects the City’s consultant team.

Staff also recommends that Planning staff be directed to lead the effort to develop a comprehensive parking program tailored to Smoky Hollow with participation and assistance from other City staff as needed to contain costs for outside consultant services. Due to existing staffing commitments to critical timetables for several large-scale development projects involving approximately 3,000,000 square feet of development citywide, Planning staff anticipates being able to begin the update of the Smoky Hollow Specific Plan in January 2013.

Staff recommends that Information Services staff be directed to proceed with a similar effort to prepare an RFP for consultant services for a prime contractor for fiber optic installation for short and long runs. The cost and estimate of the time to complete the fiber optic installation will be provided when the Council selects the City’s contractor. All other sub-tasks relating to determining fiber-optic infrastructure needs and any other wireless solutions will be performed using in-house Information Services and Economic Development staff.

Staff recommends that Economic Development staff be directed to proceed with a similar effort for marketing and branding of the Smoky Hollow Specific Plan area. Staff anticipates that funding sources for marketing and branding (except for a banner and sign program) will be from the existing Economic Development budget.

Although the entire fiscal impact and time needed to complete these major tasks is not known at this time, staff has provided estimates of time and cost for tasks based upon the best information available and by comparing similar efforts and projects that the City has
undertaken in the past. The costs for all of the programs will span multiple fiscal years. The Council will have the opportunity to direct staff whether or not to proceed with each individual major task that requires outside professional services at the conclusion of the RFP and contract award process. The cost of in-house staff will be absorbed in existing budgets based upon the time constraints outlined above in this report.
El Segundo, California

SMOKY HOLLOW DISTRICT

TECHNICAL ASSISTANCE PANEL (TAP) PROGRAM

MAY 2012
ULI Los Angeles Mission Statement
At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Los Angeles, a district council of the Urban Land Institute, carries forth that mission as the preeminent regional real estate organization providing inclusive and trusted leadership influencing public policy and practice.

About the ULI Los Angeles Technical Assistance Panels
In keeping with the Urban Land Institute mission, Technical Assistance Panels are convened to provide pro-bono planning and development assistance to public officials and local stakeholders of communities and nonprofit organizations who have requested assistance in addressing their land use challenges.

A group of diverse professionals representing the full spectrum of land use and real estate disciplines typically spend one day visiting and analyzing the built environments, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a fashion consistent with the applicant's goals and objectives.

Staff and Panel Members

**TAP Client**
City of El Segundo

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Owner, Public Private Ventures, Inc.

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Principal, Genster

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Economic Development Manager, City of Pasadena

Eileen Fogarty
Former Planning Director, City of Santa Monica

Andrew Jannison
Partner, industry Partners

Allan D. Kotin
Owner and Principal, Alan D. Kotin and Associates

Sandra Kulii
President, Kulii Marketing

**TAP Committee Chair**
Jonathan C. Curtis,
Colliers International and California Golden Fund

**TAP Committee Liaison**
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Partner, Waldron Waldron Architects

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Graphic Designer

Jack Skelley
Analyst

John Dlugolecki
Photographer
Contents

Executive Summary ................................................................. 2
Assignment and Process .......................................................... 4
Vision ......................................................................................... 5
Strengths, Weaknesses, Opportunities & Threats ...................... 6
Guiding Principals ..................................................................... 7
Market ......................................................................................... 8
Planning Concepts ...................................................................... 11
City Actions ................................................................................. 12
Fiber Optic Network ................................................................. 16
Marketing and Branding ............................................................ 17
Public-private partnership: Chevron and Smoky Hollow ............ 19
Next Steps ................................................................................... 20
Acknowledgements ..................................................................... 21
Panel Members ........................................................................... 20
Executive Summary

THE SMOKY HOLLOW DISTRICT IS AN UNUSUAL PLACE even within its unusual setting of El Segundo, California. It is
bordered on the south by the Chevron oil refinery, on the west
by the Downtown Corridor, on the north by mixed-density
residential uses and on the east by the Sepulveda Boulevard
stretch of Pacific Coast Highway.

Several decades past, this area was the setting for smaller
industrial uses ancillary to the nearby aerospace and refinery
industries. Defined by these borders and these uses, the
district has remained somewhat frozen in time. The area's
specific plan has not been comprehensively updated since
it was adopted in 1985. This has prevented development
standards to evolve with market forces. In fact, Smoky Hollow
has grown away from the original uses envisioned by the
plan: Today, very few businesses serving aerospace and
refinery remain, especially as the aerospace industry has
decayed.

Among the new uses that have moved into the area, the
"creative" businesses – advertising agencies and architecture
firms, for example – are attracted despite existing
development standards, not because of it. And yet, these are
precisely the types of enterprises, along with a variety of other
uses, that may allow Smoky Hollow to profitably keep pace
with other business districts in the Los Angeles area.

In particular, Smoky Hollow holds great potential to become
the L.A. region's next successful "incubator" zone for
technology and creative firms, similar to Santa Monica's
"Silicon Beach" or Culver City's "Hayden Tract". Indeed,
many elements are in place for this transition to naturally
and quickly evolve: The neighborhood's stock of Mid-Century
buildings appeal to the tastes of these types of users. Its
small parcels are perfect for start-ups. Its beach-close
location is also ideal. The character of El Segundo – small-
town but business-friendly – offers a positive environment
for entrepreneurs. Even the industrial vibe of Smoky Hollow,
epitomized by its name, can be a strong draw for creative
types.

In this way, the theme of its development destiny might be: Let Smoky Hollow be Smoky Hollow. And yet, there
are significant barriers to this. The existing infrastructure
has either not been overhauled or never been consistently
upgraded to accommodate the gradual changes in uses.
Most importantly, parking challenges are among the biggest
obstacles for incoming businesses.

By today's standards, many of the uses now considering
Smoky Hollow desirable are faced with inadequate sewer and
storm drainage systems. Fiber optic lines, crucial for high-
speed data transmission, are severely limited. Narrow streets
and generally limited access severely cramps vehicle traffic,
including pick-up/drop-off activities by commercial vehicles,
Solving these issues will require addressing issues such as incentives, financing and marketing. And the Smoky Hollow Specific Plan itself will need to be revised to stimulate reuse, rebuilding and redevelopment.

Among the most essential recommendations of the Smoky Hollow ULI TAP are to:

- Transform Smoky Hollow into an incubator district for start-up companies.
- Revise the area’s existing Specific Plan to stimulate reuse and rebuilding and new investment for redevelopment.
- Create a significant amount of additional parking to serve the desired labor-intensive uses in the district.
- Improve the fiber-optic infrastructure in the district to serve its new users.
- Launch a marketing campaign consistent with the authentic nature of the district.

Specific recommendations are detailed in the following sections.
Assignment and Process

THE CITY OF EL SEGUNDO COMMISSIONED the Urban Land Institute to perform a Technical Assistance Panel (TAP) to review the existing development patterns within the Smoky Hollow area and provide recommendations on guiding future development there.

The TAP comprises a group of industry experts not affiliated with the City or current development in the Smoky Hollow area. The group members have expertise in a wide variety of development and real estate fields and collectively formulated the best, most-achievable strategy for the area.

Among the largest questions the group addressed were the following:

• Within the district, what uses should be encouraged and where they should be located?
• Given the relatively small lot sizes, what can the City do to help address the higher parking demand of commercial uses?
• What can the City do to improve the identity or brand of Smoky Hollow to attract tenants and owners?
• How should the district relate to surrounding land uses, including Chevron refinery, downtown El Segundo, adjacent residential area, and the high-density commercial frontage of PCH?
• Is there a financing tool available to make public improvements or for the City to purchase property for parking and blight removal? And how can the City encourage reinvestment in properties?

The TAP process is one of deep, compressed immersion in the area and its issues. Tours, research, extensive interviews with stakeholders and strategy sessions were conducted over two days on the site. These two days were preceded by the accumulation and study of significant research materials, including an extensive Smoky Hollow Technical Assistance Panel Participant Survey conducted by the City.

This survey yielded a broad range of answers from stakeholders — primarily business and property owners — on variations of the key questions listed above.
These stakeholders included:

- Several representatives from City Planning and Building Safety Department, City Manager, as well as the Mayor’s office
- Real estate brokers with long-time experience in this market
- Large business stakeholders, including executives from Continental Development Corporation and Chevron
- Dozens of business owners, property owners, and developers involved in Smoky Hollow
- Representatives of the El Segundo Chamber of Commerce, and reporters from the local Daily Breeze newspaper

At the conclusion of all interviews, the panel embarked on its evaluations and recommendations. Preliminary findings emerged from a Strengths, Weaknesses, Opportunities & Threats (SWOT) process that categorized issues in the district. The team also set forth its major categories of recommendations:

- Vision and Goals
- Market/Retail Conditions and Opportunities
- Land Use, Design, Regulatory and Development Policies
- Road Map for Success – Tools and Implementation Steps

The team then compiled its research and recommendations into a PowerPoint format and presented its findings and recommendations at a public forum attended by stakeholders and community members.

**Vision**

The Smoky Hollow District is well-situated to evolve into a cohesive and unique environment that supports new creative and tech businesses as well as small-incubator uses, and builds upon its existing engineering/architectural and manufacturing firms that pioneered the revitalization of the area.

These existing uses should be encouraged to expand, while new development opportunities will create an eclectic, creative environment.

The small-town character and fine-grain scale of Smoky Hollow should be maintained and enhanced. This area will become a center for daytime activity, complete with walking and bike connections to downtown locations for restaurants. Intimate outdoor spaces can help create a sense of place and community for employees, residents and visitors to share. The community, businesses, property owners, employees and other stakeholders will be actively engaged in defining the future vision for Smoky Hollow.
Strengths, Weaknesses, Opportunities & Threats

IN FORMULATING STRATEGIC AND DEVELOPMENT plans, the panel first undertook an assessment of the area’s strengths, weaknesses, opportunities and threats.

STRENGTHS

- Prime location: coastal, freeway accessible, westside of region, proximity to Downtown El Segundo, proximity to rich and varied employment base
- Comparatively low cost of properties
- Small-town charm / high-quality community / vital town center
- Excellent stock of buildings, including “industrial chic” properties
- “Fine-grain” parcel sizes
  - Small players can play
  - Large players can expand
- Rich variety of uses including: creative, tech, and “mom and pop” businesses
- Good schools
- Relatively low cost of doing business

- Strengthen the brand
- Maximize utilization of El Segundo Boulevard to help further revitalization objectives related to parking, vehicular access, sidewalks, etc.
- Establish the area’s unique, flexible potential as small-business incubator district
- Recognize its market value
  - It can fill a void in Southern California market
  - It can create a brand for entrepreneurial start-ups
    - Create buzz
    - Connect to cool beach town history and culture
    - Recognize but play down Chevron and LAX issues
- Strengthen Smoky Hollow’s connection to businesses, employees, resources

WEAKNESSES

- Lack of parking
- Parcellization (small parcels inhibit growth)
- Public realm is deficient (sidewalks, landscaping, etc. are lacking)
- Specific plan is outdated
  - A suburban model
  - Too prescriptive
  - Lacks a coherent vision
  - No clear definition of desired uses
- Lack of broad infrastructure
- Low intensity of uses and land-intensive uses

THREATS

- Over-regulation
- Lack of clear vision for entire district
- Inaction
- Lack of incentives needed to work for entire district

OPPORTUNITIES
Guiding Principles

The panel agreed to the following guiding principles to assist in their analysis of the Smoky Hollow District and to direct the group's discussion, findings, and recommendations.

1. IN PROMOTING ECONOMIC REVITALIZATION, DO NOT PENALIZE OR OVERBURDEN EXISTING VIABLE BUSINESSES.

2. ENGAGE AREA STAKEHOLDERS – TENANTS, LAND OWNERS, CIVIC LEADERS, CITY OFFICIALS – IN THE PLANNING PROCESS.

3. PREVENT FURTHER DEVELOPMENT OF NON-SUPPORTIVE LAND USES, E.G. DOG HOTELS, OPEN STORAGE, AUTO YARDS.

4. CREATE INCENTIVES FOR INVESTMENT BY TARGETED USES.

5. CREATE A REGULATORY FRAMEWORK THAT SUPPORTS AND ENABLES THE MARKET TO OPERATE.
The Market

FROM A COST-OF-DOING-BUSINESS STANDPOINT, El Segundo is an excellent location. In many ways it is superior to other local municipalities such as Manhattan Beach, Santa Monica, Culver City, City of Los Angeles and Beverly Hills.

Historical average rents have allowed for new business to penetrate the market as a low-cost alternative to West Los Angeles and Culver City/Playa Vista. El Segundo has always been viewed regionally as the hub of the aerospace industry. It is safe to say that the image of the El Segundo office market being saturated with service companies to support LAX and/or aerospace is slowly going away.

The office market in El Segundo never really experienced a big bump in Class A, B, C rents for local property owners. Anytime the government reduces its military spending and budgets, consolidation occurs in El Segundo. There was a tremendous amount of commercial square footage originally built for aerospace in El Segundo going back 50 years.

In addition to typical Class A office building, submarkets of Los Angeles, such as Santa Monica, Marina Del Rey, Culver City, Venice and Playa Vista have allowed businesses in the past 20 years to inhabit buildings formerly occupied by industrial warehouse or manufacturing uses. It started in Santa Monica where film and television commercial firms no longer wanted to commute to the studio lots and opted for something creative and different. Small businesses and developers acquired these industrial buildings (i.e. metal, steel, brick bow-truss, and concrete tilt up) to enjoy a different office experience. The trend caught on, and these areas have completed successful adaptive re-use projects that all started with local municipality buy-in. Coupled with some strategic planning, this trend has bolstered the demand for a different kind of space, a true “creative” office experience. Successful nearby examples include The Hayden Tract and Blackwelder areas of Culver City.

Creative office vacancy rates in Santa Monica are 6% today compared to the 18% general office vacancy in El Segundo for traditional Class A space. Who doesn’t want to be able to park right in front of their own stand-alone building that offers skylights, operable windows, and outdoor space to take advantage of the Southern California lifestyle? And yet, El Segundo does not have a critical mass within its city border where this type of product currently exists.

Smoky Hollow offers a real, raw, urban, beach-close opportunity where companies whose employment base or key executives live nearby can avoid commuting to the Westside for the same experience. Being pro-business in Smoky Hollow and even pro live/work would allow El Segundo to rebrand itself in Los Angeles not just as the hub of aerospace and engineering, but also as a creative tech community. Smoky Hollow is a place where cool buildings, cool business and cool summer breezes all come together.
Additional Market Considerations:

- The El Segundo office market is approximately 25M square feet.
- The Smoky Hollow market is approximately 1.5M square feet.
- Smoky Hollow can capture creative businesses – particularly start-up tech, entertainment and creative companies – but market to all general office uses.
- It can give companies from the lower Westside and El Segundo a creative alternative.
- In addition to close beaches, Smoky Hollow benefits from lifestyle, education and employment strengths in the area.
- It can offer a desirable indoor/outdoor experience, through patios, operable windows, connection to El Segundo’s retail district.
- The district is a prime investment target for owner/user investors and institutional capital.
- The market is tempered due to the adjacent Chevron facility: Medical uses will not work in proximity to an oil refinery
- Authenticity sells and Smoky Hollow is real to the core.

Smoky Hollow holds a distinct market advantage in relation to the cost differential between owning property here and owning in other emerging incubator neighborhoods. The price per square foot for an unfinished building in El Segundo is $150 to $175 per square foot. In Culver City the cost is approximately twice as much, or $260 to $300 per square foot. And Santa Monica’s pricing reaches from $450 to $500 per square foot.

### Market: Cost Differential Owning

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</table>
Planning Concepts

Multiple planning concepts can be employed to maximize Smoky Hollow’s existing market opportunities.

Smoky-Hollow Is an Incubator District
It is a truly unique place that exists within the larger context of the region, including LAX, the South Bay and the Westside. It boasts strong demographics and it attracts creative businesses. As an incubator district, it also owns a unique identity in relation to El Segundo: It is close to the city’s attractive downtown and Main Street Corridor; it is adjacent to residential neighborhoods, and it is close to already established technology companies east of Sepulveda Boulevard. It is also one of the few places in the Los Angeles region that can support the incubation of new, creative businesses. The typical physical requirements for an incubator district are:

- Small floor plates, accommodating start-ups businesses
- Strong technological infrastructure, especially fiber-optic cable and power
- A creative environment
- Synergistic uses: e.g. advertising agencies near tech companies; larger numbers of workers near retail district
- Ideal/unique density: able to accommodate more workers than traditional industrial uses
- Adequate parking: both numbers of spaces and proximity to work centers
- Appropriate and flexible regulations that foster entrepreneurship; pro-business climate
- Public realm and connectivity: sidewalks, outdoor spaces, walkability and access to vehicles
- Cost of entry: should be affordable for both owners and renters

Traffic and Parking Plan Recommendations
In order to successfully establish an incubator district, Smoky Hollow will require a traffic plan that assists in the creation of additional parking and improves vehicle and pedestrian circulation. Among the components of this plan are:

- Adding on-street parking opportunities, including diagonal parking.
- Enhancing the character and quality of the public realm, including streets and sidewalks.
- Adding one-way street pairs through the western portion of Smoky Hollow.
- Improved utilization of alley passages to serve very local vehicles
- Analyzing the street grid with the aim of altering or closing some streets to create enhanced pedestrian uses and open space
- Re-configuring El Segundo Boulevard to accommodate the limited vehicular traffic, and provide added parking and pedestrian circulation.
- Managing parking resources by creating a parking district, allowing tandem parking for some buildings, recommending valet assist parking for parking underserved areas. (See Parking section, below)
- Identifying opportunities for shared parking lots. As part of a parking district designed to optimize existing parking – not create new parking – incentives can be offered to encourage shared use of existing parking lots. Among the mechanisms that can organize this shared use are permit stickers or electronic card systems regulated by time periods.
City Actions

"BUILD IT AND THEY WILL COME," is a well-worn phrase from the movie, Field of Dreams. Within Smoky Hollow, we believe that the same sentiment could be restated: "Create the right zoning, incentives and parking program, (all City actions), and they will come." The market is ready, the properties are ideally suited, the price is right. As with all of the other successful revitalization areas around the region, their success is built on solid commitment and sound City policy. Private investment follows public commitment.

The following are major action elements that are within the City's purview:

1. REVISE THE EXISTING SMOKY HOLLOW SPECIFIC PLAN
   The existing Smoky Hollow Specific Plan needs to be revised in order to stimulate reuse, rehabilitation and stimulation of new investment for redevelopment.

New Vision Compared to Existing Specific Plan
   The existing Smoky Hollow Specific Plan envisioned this area as a suburban business/industrial model, with design standards oriented to ground-up, new development. The Plan, Vision and zoning approach, established over 20 years ago, did not anticipate the District transitioning from industrial use to hosting a wide range of creative, technical and office uses with supporting restaurants and cafes. As such, the Smoky Hollow Specific Plan does not provide flexibility in parking, floor-area ratios, uses and development standards needed to achieve this new vision.

Issues to be addressed in the Specific Plan and Action Plan
   The Specific Plan rewrite should reflect the cohesive, creative environment that is envisioned. The land uses, intensity (floor area ratio), incentives, locations and components for centers of activity, zoning, development standards, parking standards, parking approach and review process should be coordinated and proactive in order to capture the desired market.

II. Land Uses
   Identify the range of preferred uses. This could include but not be limited to entertainment, creative arts, technical/ internet uses, architecture/engineering and the associated office uses including marketing and administrative functions. Certain current land uses -- such as the neighborhood's advertising and architecture firms -- are already compatible with preferred uses.

Direct sales for manufacturing could also present an opportunity in the future. These uses can be incentivized through target locations, FAR and parking. Retail storefronts for manufacturers could be allowed as a conditional use. However, the first priority is to encourage incubator employment-based uses. These prioritized uses should not be crowded out by retail parking.

Identify uses that are incompatible with the future vision. Expansion of existing pet hotels, outdoor storage and the automotive garage and repair activities may not be appropriate in the future. Existing uses could be grandfathered with future uses limited or restricted to specific locations.
Intensity of Uses (Floor Area Ratio)
The existing floor area ratio (FAR) presents a significant disincentive for both rebuilding/reuse of existing buildings and redevelopment of properties. An increase in FAR that encourages investment, provides economic feasibility and accommodates parking and appropriate building scale should be identified. Increased FAR can serve to reward lot consolidation and intensification of the desired uses in the right location. It would also provide the economic incentive to support the costs of the necessary additional project and area parking.

Identify Opportunities for Parcel Consolidation
A block-by-block analysis of ownership, uses and potential for change should be undertaken. Ownership of parcels should be identified to target opportunities for consolidation and/or coordination between parcels. Efforts should be focused on those areas and blocks where the potential to change exists and is feasible.

Incentives to assist smaller parcels to consolidate should be identified and tested. Undertake an analysis to determine the optimum set of incentives to promote parcel consolidation to create parcels of sufficient size to accommodate the desired uses. Incentives could include increased FAR for larger lots, and allowing off-site parking. The concept of Graduated Density Zoning is well discussed in an American Planning Association paper published in the January 2009 Zoning Practice periodical, titled “Graduated Density Zoning to Encourage Land Assembly for Infill Redevelopment,” by Donald Shoup, FAICP. Successful examples from Glendale and Simi Valley are discussed. Undertake a financial analysis to evaluate incentive programs linking desired development with parking needs and investment parameters.

Consider linking parcel consolidation with increased density/ FAR and creative strategies to accommodate off-street project parking requirements, including participation in a parking district, as discussed below.

Areas as Centers for Activity
As the Smoky Hollow District evolves, community and social activity should be focused into areas that can provide a “sense of place” or an outdoor respite for employees, residents and visitors to share. These locations can be incentivized to encourage place-making through the intensity of uses and social activities. Concurrently, innovative landscaping, as well as walking and biking connections through Smoky Hollow will tie these new activity areas to Downtown.

Development Parameters
Development guidelines and parameters should emphasize flexibility, creativity and innovation — the hallmarks of the new media and tech companies that would be attracted to the area. The current standards reward homogeneity and a “one size fits all” perspective. The expectations for building form and location can be described for the district as a whole or for sub areas including the location for the continuation of the fine grained grid, pedestrian orientation at the street level in the activity centers, and maximum building envelopes. This clear guidance, as contrasted to the prescriptive approach, coupled with the location of the intimate outdoor urban amenities, will facilitate well-designed and creative building forms. The current regulatory review process should be reviewed to reinforce and promote innovation and flexibility to accommodate the desired uses.
2. CREATE A COMPREHENSIVE PARKING PROGRAM TAILORED TO SMOKY HOLLOW.

Parking is the primary constraint for the reuse of existing buildings and the redevelopment of properties to accommodate future investment. Given Smoky Hollow's unique characteristics, e.g. small lot size, limited parking on existing parcels — coupled with the goal of transitioning to higher intensity uses, a "ground-up" approach to addressing the critical shortage of parking will be needed.

The success of a cost-effective, new parking strategy depends on understanding the parking resources that currently exist, studying how to improve them without building parking structures, and rethinking El Segundo's view of parking. If appropriate, the City should consider structures later, if and when the area can support the significant costs. The new Smoky Hollow Specific Plan should clearly articulate flexibility in providing the needed parking in the Smoky Hollow District. Additional parking can be developed on- and off-site through tandem, valet and shared parking in conjunction with new public spaces through striping and a joint public-private shared parking program. There should also be consideration of restricting overnight parking and on-street vehicle storage through permits.

Coupled with the revisions to the Specific Plan, a comprehensive analysis and plan should be developed to address area parking needs. The analysis should address the following elements:

- Establish a baseline of need, a parking inventory should be undertaken to determine parking needs, both for existing tenants and for the desired uses. Although the details of this inventory are too in-depth for this report, by hiring a traffic engineer, the City can get further insight into establishing this baseline need.

- A block-by-block study should take place to determine the amount of additional public parking available in the public right of way.

- Identify use of public rights of way currently being used by auto repair and auto body facilities to store vehicles that may be awaiting further repairs may be reducing available public parking. This excess vehicle parking or off-site storage by these types of facilities may be a clear indication that the facility is operating outside of their entitled operation. By increasing the number of vehicles above and beyond the entitled vehicle amount, these type of facilities unlawfully occupy available parking for adjacent and nearby businesses that are abiding by their entitled uses. This may be an opportunity for the City to increase enforcement action by specifically targeting areas on and around nearby...
auto repair and auto body facilities, both during the work week and weekends.

- A proactive approach and analysis to identify sites throughout the area for shared or joint-use parking should be conducted. San Pedro and North Hollywood’s revitalization areas have adopted successful shared use parking programs. Incentives for shared private parking should be explored.

- Identify sites throughout the area that might be acquired to create new satellite parking lots to be utilized for off-site parking by area businesses.

Parking District for Smoky Hollow

A parking district can take several forms of which two are discussed here:

1. An area-wide parking district with little or no capital investment designed to make better use of existing resources.

2. One or more smaller districts which create parking through purchase of land and/or construction of structures situated to serve subareas within the Smoky Hollow district.

Funding for the necessary parking improvements would necessarily need to be shared by the benefiting parties, the new end-users and the City. A parking district approach can be kept simple by phasing in a joint public-private program. On a case-by-case basis, new development would pay in-lieu fees to buy parking rights coupled with a parking permit program. This may take place on a sub area or district-wide basis. Existing businesses would be exempt from the in-lieu fee program so long as their existing entitlements are deemed adequate for their current operations. A well-constructed parking district strategy:

- Keeps parking costs isolated to the Smoky Hollow district and does not burden the general fund.

- Creates buy-in from businesses and property owners.

- Initially, is responsible for rationalizing existing parking which will cover both capital and operations.

- Later, may build decks of structures which also involve both capital and operating costs.

Parking District Funding

The particular costs, funding sources and associated assessments for any type of parking district cannot be reasonably estimated without additional analysis and planning, as well as local input from city staff, local real estate agents and city financial advisors.

1. Areawide district relying on enforcement and optimization of existing parking.

Such a district could involve restriping, meters, reducing red zones, create permits in some areas, etc. Note that a few years ago Santa Monica undertook a parking study in which it was determined that these techniques could add 5-10% to available supply and perhaps more.
The ULI team observed that a minimum program for the parking district would include re-striping, reconfiguration of El Segundo Boulevard south of the District to include angled parking, and improved parking enforcement.

2. Smaller subdistricts to fund capital investment in added parking.

Another approach would be to acquire strategically located parcels in the district to accommodate new parking lots, and possibly parking structures, dedicated to area businesses to help offset the on-site parking requirements. Costs could be paid as in-lieu fees by users, and/or offset by charging for parking.

Fiber Optic Network

Several stakeholders within the Smoky Hollow district expressed concern that the area has limited access to high-speed internet services. It seems that the private resources such as Verizon, AT&T, and other companies do provide adequate services to nearby businesses east of Sepulveda, but those same resources have not been available in Smoky Hollow. Media, software, engineering, aerospace and many emerging business sectors rely heavily on access to the internet. Fiber-optic systems in particular have played a crucial role in enabling Broadband and Wi-Fi internet access by making transmission of information much more cost-effective than copper wire technology.

All the primary Internet Service Providers (ISPs) currently utilize fiber lines to provide services to commercial and residential customers. El Segundo officials have prepared initial plans to connect public facilities with a fiber optic network. This effort should continue and be extended to the Smoky Hollow area so that the business community can also benefit from the upgrades to service. In similar instances, other cities and local governments have installed municipal Wi-Fi networks or have worked to create easier fiber access when private services are slow to reach less profitable geographic areas. Here are some other considerations:

- The City should explore practical ways to upgrade and expand a conduit system and/or an active “lift” system. These improvements could be included as a capital project using pooled resources from several department budgets. This will likely include parks, libraries, public works, traffic management, and public safety departments. There is generally just a small incremental cost of adding conduit to other projects. The City should try to take the opportunity to build out additional underground infrastructure any time it gets the chance.
• It is important for the City to help facilitate the installation of underground conduit for fiber optics. At a minimum, this conduit needs to accommodate a 144 strand line (a 318 line strand may also be cost effective). Given that the current system proposal primarily runs in an east/west direction, the installation needs to allow proper access points at each north/south intersections for future growth. This will allow the system expand and benefit private customers.

• As an example, Santa Monica’s creative approaches have expanded community access to fiber services. Customers pay construction and connection fees, and in many cases the City owns the equipment. Metropolitan Transportation Authority (MTA, or Metro) grants have helped pay for segments along rapid bus routes and the city is very opportunistic in taking advantage of open trenches, public works projects and abandoned water mains. Maintenance is provided through a third-party service provider. Santa Monica was able to reduce costs for broadband service to certain customers by as much as 75%.

• Leasing dark fiber to large companies and institutional uses should also be considered to support cost recovery. The cities of Pasadena and Santa Monica have been leasing dark fiber to large employers for years. El Segundo could also consider providing dark fiber and leasing data center space and rack space as opportunities arise.

• In addition to the typical municipal and business applications, the city can use its fiber optic backbone to provide links for Wi-Fi hot spot locations.

Marketing and Branding

Connecting With Desire

A recent article in the Los Angeles Times included reporting from a year of living at an advertising agency, TBWA Chiat Day, to understand how such a firm can “invent desire.” The agency is famous for creating such memorable campaigns as Yo Quiero Taco Bell and Apple’s Think Different.

These are all expensive, mass-media approaches to marketing. At Smoky Hollow, however, we don’t have to invent desire, we just have to connect with a desire for this place that is latent in the region. Smoky Hollow has all the raw materials needed to become an exceptional location for creative office, new media and post-production and high-tech uses while retaining its eclectic nature and authentic vibe, as represented by unusual buildings such as its Quonset huts.

Smoky Hollow Will Tell Its Own Story

Just as El Segundo does not need to radically alter the fabric of Smoky Hollow, El Segundo does not need to create an expensive ad campaign to market Smoky Hollow. Developing Smoky Hollow into a successful incubator district is a process of leveraging the significant attributes it already owns. In many ways, it will emerge authentically from its existing identity. Awareness of the district will emerge in the same way: organically.

Its story will be told through the people who work here, the pioneer new economy business that have already come to the area, and through landlords, brokers, the Chamber of Commerce, the City Planning and Building Safety Department, The City Manager and The Mayor — all the stakeholders of the region.

The story will emerge authentically at first through the announcement of a series of changes and enhancements in the district: from the very first parking study, through revisions of the Smoky Hollow Specific Plan, to the completion of
improvements such as sidewalk widening or the signing of significant new tenants.

Onsite events will be key: a ribbon-cutting for a formerly grungy, underused alley that has been transformed into a vibrant pedestrian plaza. Launch parties for new companies in the area. Such events will generate their own word-of-mouth publicity, but they should be enhanced through social media (Facebook, Twitter, blogs) and through traditional media (The Daily Breeze and Los Angeles Times).

The organic nature of this marketing will also emerge from the types of businesses that relocate here. For example, the American Institute of Graphic Arts (AIGA), the largest professional membership organization for design, includes a very active local membership in Los Angeles. Word about Smoky Hollow could spread like wildfire through members who set up shop in Smoky Hollow.

As we have seen, there is tremendous pent-up demand for types of incubator districts already represented in the Los Angeles region by Santa Monica's 'Silicon Beach' and Culver City's Hayden Tract and Blackwelder project. As Smoky Hollow represents a lower-cost alternative to those areas, its popularity will spread quickly. One has only to imagine the communities of tech workers, ad agencies, architecture firms etc. — all of whom are very connected through online forums — talking among themselves: "Have you heard about that place in El Segundo? It's a great place for start-ups and it's much cheaper and cooler than Santa Monica! It's called Smoky Hollow!"

Indeed, even the name of this place is advantageous. "Smoky Hollow" epitomizes all that it stands for: its sounds industrial, which has an appeal to a certain kind of creative personality. It is colorful and lends itself to additional forms of branding, as in logos and events. And, most of all, it is real El Segundo need not invent an elaborate new name and identity for this district. It already exists.

One of the guiding principles of this ULTAP report is to "Let Smoky Hollow be Smoky Hollow." That perfectly sums up its effective marketing strategy as well.
Public-private partnership: Chevron and Smoky Hollow

In this era of scarce and diminishing public resources for economic revitalization, new public-private partnerships are needed to achieve community goals. Around the country, major corporations are undertaking innovative partnerships in their communities to assist in community revitalization.

Chevron is the dominant economic engine in the community, and has a long and proud tradition in El Segundo. Chevron has a large stake in the fiscal health of the El Segundo community, specifically its neighbor to the north – Smoky Hollow.

As a responsible corporate citizen, Chevron should be encouraged to support the revitalization of Smoky Hollow as a good neighbor, and to support the economic benefits that it would represent to its host city. Chevron might be able to:

- Provide seed money for the re-planning for the area;
- Assist in strategic acquisition of properties for distributed parking throughout the area;
- Underwrite costs and/or participate in formation of the Smoky Hollow parking district; and
- Share use of its parking facilities, especially the lot at the northeast corner of El Segundo Blvd and Main St.

These costs could be recaptured as the area is revitalized. These options could be explored in ongoing discussions with Chevron. Chevron is well-known for its corporate commitment to its communities.

In Chevron’s own words (on its website):

Economic Development
“Chevron is committed to improving social, environmental and economic conditions where we operate. Our focus on sustainable employment opportunities promotes self-sufficiency. With partners, we identify programs to promote a better standard of living and create a more stable operating environment.”

Promoting Small Enterprise
“Small and medium-size businesses are the engines that drive economic growth in any community. Helping develop these businesses contributes to the overall prosperity of the communities where we work. We help lift entrepreneurs by offering business development services, supporting business incubator programs, and providing access to credit and markets.”

Investing in Communities
“Wherever we are, we strive to be a good neighbor, sharing the concerns of our communities and working to create a better future. We demonstrate what a company can do to make a difference.

Words to live by! While these quotes reference Chevron’s work in the Third World countries in which it operates, it seems that Chevron’s commitment to economic development, promoting small enterprise, and investing in communities, could serve its host community of El Segundo as well.
Next Steps

The various recommendations outlined in this report are a start. They need to be discussed, debated, refined and integrated into a strategic action plan and a framework for the area's revitalization that has the blessing of key stakeholders, including the City and the support of area owners, the greater community, and the business sector. Highlights would include the following major actions:

1. Commit to the revitalization of the area. A fresh start is needed. The current Smoky Hollow Specific Plan is outdated, and will not be effective as a framework for the new vision.

2. Educate and inform Smoky Hollow stakeholders of the LUL recommendations. New businesses, investors and developers will need to know that the city is fully committed to the vision set forth in this report. Reach out to prospective companies and real estate professionals to further refine necessary action steps and to promote the area.

3. Engage Chevron as a major participant. Their significant resources can help seed this effort, with a high return on investment.

4. Create a new vision and framework for transition and revitalization – modify the existing Smoky Hollow Specific Plan and related regulations and incentives. Adopt best practices to facilitate economic revitalization.

5. Undertake a comprehensive approach to area parking. Without additional parking, the potential markets cannot come. In the short term, focus on utilizing existing rights of way to increase the parking supply, especially El Segundo Blvd. In the longer term consider formation of a parking district, and strategic acquisition of lots for distributed parking throughout the area. Create it and they will come.

6. Take the next steps in bringing fiber optics to the Smoky Hollow area. This will be essential in attracting the envisioned businesses.

7. Articulate and promote the vision. Seek the assistance and support of the pioneer businesses in the area, as well as the creative types who area already committed to the vision.
Acknowledgements

The Panel wishes to thank the City of El Segundo for hosting the Smoky Hollow Technical Assistance Panel. A special thanks goes to Greg Carpenter, City Manager for his dedication and interest in the panel. Thanks also go out to former Mayor Eric K. Busch for his closing remarks at our presentation and Mayor Pro Tempore Bill Fisher for his participation in a stakeholder roundtable.

In addition, the panel thanks Ted Shove, Economic Development Analyst, whose time and effort in preparing the briefing materials and the involvement and coordination of the panel’s interviews and tour were invaluable. Additional thanks to Kim Christensen, Planning Manager for her participation as an interview stakeholder.

Finally, the panel acknowledges the fifteen individuals who were interviewed. Representing a diverse and informed public, the passion and understanding of these stakeholders provided valuable information and perspectives, greatly aiding the panel in its analysis.

The stakeholders included:

- Thomas E. Abel, Vice President, Advanced Technical Corporation
- Rupesh Bhakta, Director of Acquisitions, CenterCal
- Robert Caban, MA, RHIT, President, Caban Resources, LLC
- Matt Crabbs, Keller Williams
- Lily Craig, Chevron
- John Clark, Principal, Looking
- Marsha Hansen, Executive Director, El Segundo Chamber of Commerce
- Brian M. Lamb, Principal, Electromagnetic Systems, Inc. (EMSI)
- Rob Looker, Vice President, Salco, inc.
- Allan W. Mackenzie, President, Mar Ventures, Inc.
- Bill Ruane, President Real Estate Agent, RE/MAX Beach Cities Realty
- Brian Polkinghome, Senior Vice President, CBRE, Inc.
- Bob Tarnovsky, Continental Development Corporation
- R.K. (Rod) Spakman, Chevron
- Jean Paul Wardy, President, CenterCal Properties
Panel Members

James Goodell
Owner, Public Private Ventures, Inc.

A pioneer in creating and implementing proactive asset development programs, Jim specializes in directing strategic planning, master planning, project entitlements and the management of complex public-private projects.

Over his thirty-year career, Jim provided planning and development leadership in a variety of public-private projects. Highlights include: For the State of California, Los Angeles and Orange Counties, University of California, the California State University System, numerous cities, and several healthcare institutions. Jim served as lead advisor and program manager of planning and disposition of over $3 billion of underutilized real estate assets.

Authoring over 50 redevelopment plans in California cities, often being retained long-term by his public clients to manage implementation efforts on their behalf. Projects included the Third Street Promenade in Santa Monica, Downtown Long Beach, Downtown San Diego, Phoenix, AZ.

As author of the Plan for Old Pasadena, president of the Pasadena Central Improvement Association and as developer of seven of the earliest projects, Jim was a major force in the revitalization and redevelopment of Old Pasadena, one of the most successful, multiple-award-winning programs of its kind in the country. As development manager for Carillon Point, a 700,000 square foot mixed-use master-planned project in Kirkland, Washington which was a recipient of an Urban Land Institute Award of Excellence.

As development manager for the City of Los Angeles, Jim successfully planned and negotiated the various funding and development agreements for the development of the Los Angeles Wholesale Produce Market, the largest market in the country.

Jim now oversees the revenue enhancement programs for more than twenty California community colleges, including the Los Angeles Community College District.

Marty Borko
Principal, Gensler

Marty Borko is a principal in the Los Angeles office of Gensler, one of the leading design firms in the country. With over 25 years of experience in architecture, Marty has developed a unique expertise in the planning and design of large-scale mixed-use and retail entertainment projects that have called for analysis, conceptual design, consensus building, planning, study, and design.

Currently Marty leads the Entertainment/Mixed-Use and Planning and Urban Design Practices in Gensler's Santa Monica office as well as Gensler's firmwide Entertainment Task Force. He is also a member of the Entertainment Council of the Urban Land Institute.

Marty has been involved in a wide array of projects from studio development to themed attractions to retail entertainment centers. He has worked with most of the major Entertainment Companies; Sony, Warner Bros., Paramount, Disney and DreamWorks and is currently working on major mixed-use retail entertainment projects across the country for companies like Anschutz Entertainment Group.

His focus is in providing leadership to the multi-disciplinary teams necessary to solve complex contemporary design problems in today's urban context, with an emphasis on urban infill and smart growth.
Eric Duyschart  
Economic Development Manager at City of Pasadena  

As the Economic Development Manager for Pasadena, Eric Duyschart manages a wide variety of activities for the city including economic development, special events, business district coordination, permitting for filming, and special projects. Eric’s division also manages the City’s real estate asset which includes over 400 properties and leases. One of his key responsibilities includes managing the City Council’s Economic Development and Technology Committee, which provides oversight for the Rose Bowl, Convention Center and a wide variety of business, related issues. Mr. Duyschart has managed the City’s technology growth initiatives and continues to facilitate cooperative relationships with Caltech/JPL, Art Center, and other local institutions.

Previously to his time in Pasadena, Mr. Duyschart held positions with David Sarny Architects and ICN Pharmaceuticals. He received a Bachelor of Science Degree in Urban Planning from the California State Polytechnic University, Pomona and has Master’s Degree in Public Administration. He holds board positions with the Los Angeles Economic Development Corporation and Pasadena Chamber of Commerce. He has been an advisory board member of the Los Angeles County Business Technology Center, the Pasadena BioScience Collaborative and the Caltech/Art Center Entrepreneurial Fellowship Program. Eric also served as a founding board member of the Glendora Educational Foundation and has served as a Glendora Planning Commissioner for the past 3 years.

Eileen Fogarty  
Former Planning Director, City of Santa Monica  

Eileen P. Fogarty brings more than thirty years of experience leading economic revitalization and master planning for mixed-use development in major east and west coast cities.

She specializes in creating conditions contributing to long-term expansion and prosperity in both distressed and thriving urban jurisdictions. Her exceptional ability to understand her client’s vision is backed by services in strategic community and master planning; reinvestment and revitalization strategies/public & private; establishing sustainable, transit-oriented communities; packaging & facilitating site development & projects for approval; and resolving conflict and building consensus.

As Director of Planning and Community Development in Santa Cruz, CA; Alexandria, VA and Santa Monica, CA, her award winning strategic plans have resulted in the implementation of thriving urban transit centers where land uses are integrated with innovative multi-modal transportation and parking strategies. Eileen successfully completed Santa Monica’s first sustainable General Plan and has lectured on the groundbreaking approach at UC Berkeley, UCLA and throughout California. She guided the conversion of the 570,000 SF, Santa Monica Place indoor mall into an open air shopping, dining and entertainment center adjacent to a new light rail station and planned the transition of an aging industrial area into a transit oriented, mixed-use center with a projected 3,000,000 SF of new development in the pipeline.
Panel Members

Andrew Jennison
Partner, Industry Partners

Andrew Jennison is a founding partner with Industry Partners. During his 11-year career in West Los Angeles, Andrew has leased and sold over $1B in transactions encompassing over 3M SF of office space. His approach is simple: partner with tenants, owners, and investor's to achieve their business objectives by helping them make sound real estate decisions that will enhance value to their respective businesses. Andrew’s relationships in the Los Angeles business community, coupled with his savvy skill set allow him to take a creative and detailed approach to the real estate transaction process.

Prior to forming Industry Partners, Andrew was a Senior Executive with Madison Partners and Colliers International. Andrew received a BA in International Relations with an emphasis in Business Administration in 1999 from the University of Southern California, and continues to serve as a mentor to undergraduate students in the Marshall School of Business. Locally, he is also involved with the Cystic Fibrosis Foundation, Pancreatic Cancer Action Network and is a member of LACRA and the Santa Monica Chamber of Commerce. Andrew, his wife Julie and their two children, Ava and Tate, reside in Hermosa Beach, California.

Allan D. Kotin
Owner and Principal, Alan D. Kotin and Associates

Allan D. Kotin & Associates (ADK&A) is a real estate economics consulting firm based in Los Angeles, providing creative and innovative strategies and financially feasible solutions to complex real estate and policy issues. Since its founding in 1980 as KRM, the firm has been involved in all major land uses: residential, retail, office, industrial, recreational, retirement, hospitality and mixed-use projects.

ADK&A now specializes in assisting both public agencies and private clients in soliciting, structuring, and implementing public-private joint ventures. ADK&A’s expertise spans traditional redevelopment projects, public sector asset management, ground lease arrangements in ports, marinas, university campuses, and specialized public-private transactions including strategic assessment, sale-leaseback, and lease-leaseback transactions.

ADK&A has experience working with developers, mortgage bankers, financial analysts, asset managers and redevelopment staff.
Sandra Kulli
President, Kulli Marketing

Ms. Kulli is a real estate marketing strategist. Her goal is to help my clients create extraordinary places, and to save time and money in the process. Ms. Kulli’s experience is long and varied, consulting with developers, builders, architects, planners and marketers around the country (and in some other parts of the world) about the business and art of placemaking.

She is an advocate of thoughtful design and innovative problem-solving, from urban infill to new communities, and pretty much everything in between. Ms. Kulli has learned that community is focal. And personal. So she looks for the human connection. She believes we can learn more from a casual conversation in the neighborhood café than from a behind-the-glass focus group because people let their guard down and tell you what they truly care about.
At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI Los Angeles, a district council of the Urban Land Institute, carries forth that mission as the preeminent real estate forum in Southern California, facilitating the open exchange of ideas, information and experiences among local, national and international industry leaders and policy makers.

Established in 1936, ULI is a nonprofit education and research institute with over 40,000 members across the globe—500 here in the Greater Los Angeles area. As a nonpartisan organization, the Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

The membership of ULI Los Angeles represents the entire spectrum of land use and real estate development disciplines. They include developers, builders, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, lenders, academics and students. Members of the Urban Land Institute in the counties of Los Angeles, Ventura, Kern, San Luis Obispo, and Santa Barbara are automatically members of ULI Los Angeles.
## Smoky Hollow Implementation Plan Matrix

<table>
<thead>
<tr>
<th>Major Task</th>
<th>Specific Sub-Tasks</th>
<th>Estimated Timing</th>
<th>Staff or Outside Consultant</th>
<th>Estimated Cost</th>
<th>Notes/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Create a Comprehensive Parking Program Tailored to Smoky Hollow</td>
<td>1. Develop a Parking In-Lieu Fee Program</td>
<td>12-24 months</td>
<td>Staff and Consultant*</td>
<td>$30,000 (est.)</td>
<td>*Staff cooperation across all departments, as available</td>
</tr>
<tr>
<td></td>
<td>A. Perform a Parking Inventory: Determine Parking Needs for Both Existing Tenants and Destined Uses</td>
<td></td>
<td>Staff*</td>
<td></td>
<td>To be conducted in conjunction with Review of Smoky Hollow Specific Plan</td>
</tr>
<tr>
<td></td>
<td>B. Conduct a Block-by-Block Study to Determine Additional Public Parking Available in Public Right-of-Way</td>
<td></td>
<td>Staff*</td>
<td></td>
<td>To be conducted in conjunction with Review of Smoky Hollow Specific Plan</td>
</tr>
<tr>
<td></td>
<td>2. Identify Public Rights-of-Way Being Used by Auto Repair and Auto Body Facilities to Store Vehicles, Avoiding Further Repairs and Determine Facility for Operating Outside of Currently Encumbered Operation: Increase Enforcement Action, When Necessary</td>
<td></td>
<td>Staff*</td>
<td></td>
<td>To be conducted in conjunction with Review of Smoky Hollow Specific Plan</td>
</tr>
<tr>
<td></td>
<td>3. Perform a Site Analysis Effectively Identifying Shared and Joint-Use Parking Opportunities</td>
<td></td>
<td>Staff</td>
<td></td>
<td>To be conducted in conjunction with Review of Smoky Hollow Specific Plan</td>
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<tr>
<td></td>
<td>4. Identify Sites Throughout Smoky Hollow to Create New Satellite Parking Lots for Offsite Parking</td>
<td></td>
<td>Staff</td>
<td></td>
<td>To be conducted in conjunction with Review of Smoky Hollow Specific Plan</td>
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<tr>
<td></td>
<td>5. Determine Best Financial Instrument for Parking District(s)**</td>
<td></td>
<td>Staff</td>
<td></td>
<td>**Separate discussion item during Public Outreach portion for Review of Smoky Hollow Specific Plan</td>
</tr>
<tr>
<td></td>
<td>6. Establish a Parking District for Smoky Hollow**</td>
<td></td>
<td>Staff</td>
<td></td>
<td>**Separate discussion item during Public Outreach portion for Review of Smoky Hollow Specific Plan</td>
</tr>
<tr>
<td>Ii. Update/Review the Existing Smoky Hollow Specific Plan</td>
<td>1. Develop New Vision for Smoky Hollow</td>
<td>18-24 Months</td>
<td>Staff and Consultant</td>
<td>$400,000 (est.)</td>
<td>Funds may be sourced from General Plan Maintenance Fund or Development Agreement Fund: 222 Kansas Consultant to assist with RFP, public outreach</td>
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<tr>
<td></td>
<td>2. Identify Preferred Land Uses</td>
<td></td>
<td>Staff</td>
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<tr>
<td></td>
<td>3. Upward Adjustments to Intensity (Floor Area Ratio)</td>
<td></td>
<td>Staff</td>
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<tr>
<td></td>
<td>4. Revise and/or Implement Parcel Consolidation Opportunities</td>
<td></td>
<td>Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Identify Areas as Centers for Activity</td>
<td></td>
<td>Staff</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>6. Revise Existing Development and Design Standards</td>
<td></td>
<td>Staff</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>7. Prepare an Environmental Impact Report</td>
<td></td>
<td>Staff</td>
<td></td>
<td></td>
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<tr>
<td>III. Fiber Optic Network</td>
<td>1. Develop Program to Ensure conduit is in place anytime an open trench is available to drop in fiber optic internet conduit</td>
<td>6 Months</td>
<td>Staff and Consultant</td>
<td>TBO - Recommend establishing a not to exceed amount each fiscal year</td>
<td>Establish a prime contractor for short and long runs to maximize cost efficiency. Contracts may be based on an annual basis with a not-to-exceed amount</td>
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<tr>
<td></td>
<td>2. Develop a Program to Recapture Costs with constructing internet facilities</td>
<td>6-9 Months</td>
<td>Staff</td>
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<tr>
<td></td>
<td>3. Contemplate Wi-Fi Hot Spot Locations</td>
<td>45-60 Days</td>
<td>Staff</td>
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<tr>
<td>IV. Marketing and Branding</td>
<td>1. Develop a Ribbon-Cutting Program, Smoky Hollow Specific</td>
<td>Within 60 days for program to be in place</td>
<td>Staff and Chamber of Commerce</td>
<td>City: $1,000/year*</td>
<td>*Incorporated into 2012 Economic Development Strategy</td>
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<tr>
<td></td>
<td>2. Industry Specific Targeted Marketing through Trade Publications (attraction)</td>
<td>Ongoing</td>
<td>Staff</td>
<td>$3,000/year*</td>
<td>*Incorporated into 2012 Economic Development Strategy</td>
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<td>3. Industry Specific Targeted Marketing through Trade Show Presence (attraction)</td>
<td>Ongoing</td>
<td>Staff</td>
<td>$2,000/year*</td>
<td>*Incorporated into 2012 Economic Development Strategy</td>
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<tr>
<td>V. Encourage Public Private Partnership with Chevron for Smoky Hollow Development</td>
<td>1. Encourage Chevron to Participate by Providing Seed Money/Resources for the Specific Plan Revisions</td>
<td>2-5 Years</td>
<td>Staff</td>
<td>TBO</td>
<td>Engage Chevron and determine feasibility and extent of their willingness to partner with City and participate in program development</td>
</tr>
<tr>
<td></td>
<td>2. Encourage Chevron to Assist in Strategic Acquisition of Real Property for Parking Purposes (Non-Chevron Employees)</td>
<td></td>
<td>Staff</td>
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<tr>
<td></td>
<td>3. Encourage Chevron to Underwrite/Participate in Formation of Smoky Hollow Parking District</td>
<td></td>
<td>Staff</td>
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<tr>
<td></td>
<td>4. Encourage Shared Parking Opportunities with Chevron such as the lot on the Northeast Corner of El Segundo Boulevard and Main Street</td>
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<td>Staff</td>
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<tr>
<td>Fund Description</td>
<td>Amount</td>
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<td>GENERAL FUND</td>
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<td>AIR QUALITY INVESTMENT PROGRAM</td>
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<td>OUTSIDE SERVICES TRUST</td>
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TOTAL WARRANTS: $874,547.22

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Administrative Services office in the City of El Segundo.

I certify as to the accuracy of the demands and the availability of fund for payment therefor.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/utility payments for materials, supplies and services in support of City Operations

A = Payroll and Employee Benefit checks

B - F = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expenses reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

FINANCE DIRECTOR: [Signature]   CITY MANAGER: [Signature]
DATE: 8/1/12                      DATE: 8/6/12

VOID CHECKS DUE TO ALIGNMENT: N/A

VOID CHECKS DUE TO INCOMPLETE CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES
# CITY OF EL SEGUNDO
## PAYMENTS BY WIRE TRANSFER
### 7/20/12 THROUGH 8/02/12

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<th>Date</th>
<th>Payee</th>
<th>Amount</th>
<th>Description</th>
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<td>State of CA EFT</td>
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**DATE OF RATIFICATION: 08/21/12**  
**TOTAL PAYMENTS BY WIRE:** 1,824,179.64

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer  
Date 8/21/12

Director of Finance  
Date 8/7/12

City Manager  
Date 8/21/12

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, AUGUST 7, 2012 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Jacobson at 5:00 p.m.

ROLL CALL

Mayor Jacobson - Present
Mayor Pro Tem Fuentes - Present - Arrived at 5:03 P.M.
Council Member Fisher - Present
Council Member Atkinson - Present
Council Member Fellhauer - 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) -0- matter

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(b): -0- matter.

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) – 0 - matter
CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -3-matters

1. Represented Group: Supervisory and Professional Employees Association (SPEA).
   Negotiator: Greg Carpenter, City Manager

2. Unrepresented Group: Executive Management Group (City Department Heads)
   Negotiator: Greg Carpenter, City Manager

3. Unrepresented Group: Management Confidential Group (Non-represented, non department head employees)
   Negotiator: Greg Carpenter, City Manager

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

Council recessed at 6:50 P.M.
7:00 P.M. SESSION

CALL TO ORDER – Mayor Jacobson at 7:03 P.M.

INVOCATION – Rob McKenna Pastor, The Bridge

PLEDGE OF ALLEGIANCE – Council Member Fellhauer

PRESENTATIONS

Doug Poffinbarger, Director of Green Cities and Campuses with NRG Energy, Integrated Solutions gave a presentation regarding its Sustainable Communities Pilot Program for El Segundo’s residents and businesses.

ROLL CALL

Mayor Jacobson - Present
Mayor Pro Tem Fuentes - Present
Council Member Fisher - Present
Council Member Atkinson - Present
Council Member Fellhauer - 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.

Rod Spackman, Chevron USA – Spoke on incident related to Richmond, CA Facility

A. PROCEDURAL MOTIONS

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

MOTION by Mayor Pro Tem Fuentes, SECONDED by Council Member Fellhauer 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 to; 1) approve an Environmental Assessment (EA No. 959) for a proposed Addendum to a Mitigated Negative Declaration, including the Errata to the Addendum and the Mitigation Monitoring and Reporting Program (MMRP); and 2) approve General Plan Amendment No. GPA 12-01, Specific Plan Amendment 12-01, Zone Change No. ZC 12-01, Zone Text Amendment No. ZTA 12-01, Development Agreement No. DA 12-01, Subdivision No. SUB 12-02, and Site Plan Review No. 12-01 with conditions for the 222 Kansas Street Specific Plan and related development project at 222 Kansas Street. Applicant: Mar Ventures, Inc. on behalf of SMPO Lab, LLC.  (Fiscal Impact: $450,000.00 Developer Contribution)

Mayor Jacobson stated this was the time and place for a public hearing and receive testimony to; 1) approve an Environmental Assessment (EA No. 959) for a proposed Addendum to a Mitigated Negative Declaration, including the Errata to the Addendum and the Mitigation Monitoring and Reporting Program (MMRP); and 2) approve General Plan Amendment No. GPA 12-01, Specific Plan Amendment 12-01, Zone Change No. ZC 12-01, Zone Text Amendment No. ZTA 12-01, Development Agreement No. DA 12-01, Subdivision No. SUB 12-02, and Site Plan Review No. 12-01 with conditions for the 222 Kansas Street Specific Plan and related development project at 222 Kansas Street. Applicant: Mar Ventures, Inc. on behalf of SMPO Lab, LLC.

Clerk Pro Tem Shilling stated that proper noticing was done and no communications had been received by the City Clerk’s Office.

Paul Samaras, Principal Planner, City Of El Segundo, gave a presentation.

Russ Taylor, Project Architect/Partner, Teeter Architects Inc., gave a presentation.

Marla Cazier-Mosley, Regional Program Manager, USDA, gave a presentation.

Francis Okino, Area Veterinarian in Charge, USDA, gave a presentation.

Bill Messori, Executive V.P., Mar Ventures, Inc., gave a presentation.

No Public Communication.

MOTION by Council Member Fisher, SECOND by Mayor Pro Tem Fuentes, to close the public hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0.

Mark Hensley, City Attorney read by title only:

RESOLUTION NO. 4779
A RESOLUTION APPROVING AN ADDENDM TO A MITIGATED NEGATIVE DECLARATION FOR ENVIRONMENTAL ASSESSMENT (EA) NO. 959 AND ADOPTING GENERAL PLAN AMENDMENT (GPA) NO. 12-01 FOR THE 222 KANSAS STREET SPECIFIC PLAN AND A DEVELOPMENT PROJECT AT 222 KANSAS STREET.

MOTION by Mayor Pro Tem Fuentes, SECONDED by Council Member Fellhauer to adopt the resolution. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0.

Mark Hensley, City Attorney read by title only:

ORDINANCE NO. 1470

AN ORDINANCE APPROVING THE 222 KANSAS STREET SPECIFIC PLAN PROJECT AT 222 KANSAS STREET BY ADOPTING SPECIFIC PLAN AMENDMENT NO. 12-01; ZONE CHANGE NO. 12-01; ZONE TEXT AMENDMENT NO. 12-01; AND APPROVING DEVELOPMENT AGREEMENT NO. 12-01; SUBDIVISION NO. 12-02 (VESTING TENTATIVE MAP NO. 71903); AND SITE PLAN REVIEW NO. 12-01.

Mayor Pro Tem Fuentes introduced the Ordinance.

Second reading and adoption scheduled for August 21, 2012.

C. UNFINISHED BUSINESS

2. Presentation: Oral Report by the City of El Segundo Chief of Police, Mitch Tavera, related to parking and traffic restriction recommendations at Washington Street and Walnut Avenue and Holly Avenue at Washington Street and Kansas Street. (Fiscal Impact: N/A)

Police Chief Tavera recommended the following; 1) Reinstateman Permit Parking on Washington Street from Walnut Avenue to Maple Avenue on the west side of the street to include a portion of Walnut Avenue (specific to a townhome complex on Walnut Avenue) on a trial basis; 2) Remove the “Do Not Enter” barricade on Walnut Avenue at Washington Street on a trail basis; 3) Remove the barriers at Holly Avenue and Kansas Street on a trail basis.

Council received and filed presentation.

Mayor Jacobson requested this item be divided into two sections because of a Conflict of Interest for him specific to the Washington Street from Walnut Avenue to Maple Avenue portion of the agenda item.

MOTION by Council Member Atkinson, SECOND by Council Member Fellhauer, to agendize recommendation for Holly Avenue and Kansas Street for the August 21, 2012 Council Meeting. MOTION PASSED BY UNANIMOUS VOICE VOTE: 5/0.
Mayor Jacobson left dais.

CCUNCIL CONSENSUS to agendize recommendation of Police Chief Tavera for Washington Street from Walnut Avenue to Maple Avenue and for barricade on Walnut Avenue at Washington Street.

Mayor Jacobson returned to the dais.

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. Approved Warrant Numbers 2588435-2588628 on Register No. 20 in the total amount of $1,160,264.99 and Wire Transfers from 7/6/12 through 7/19/12 in the total amount of $2,771,879.10. 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.


5. PULLED FOR DISCUSSION by Mayor Jacobson.

6. Approved a thirty (30) day provisional appointment extension for the position of Interim Administrative Specialist in the Fire Department. (Fiscal Impact: $2,100.00)

7. Approved the recommended step placement for a newly promoted employee to the Management/Confidential class of Information Systems Manager. (Fiscal Impact: $11,735.00 Salary difference between Step A and proposed Step C.)

8. Approved a new Class Specification for Information Systems Specialist; adopted Resolution No. 4781 establishing the basic monthly salary range for Information Systems Specialist; approved the proposed examination plan; and eliminated the Network Technician and Application Specialist classifications. (Fiscal Impact: None)

9. Approved Reimbursement Agreement No. 4315 between the City of El Segundo and the County of Los Angeles, Department of Public Works for the restoration of Aviation Blvd. Adopt revised Plans and Specifications for rehabilitation of
Aviation Blvd. from 116th Street to El Segundo Blvd. Approve Capital Improvement Project. Project No.; 12-02 (Fiscal Impact: $507,975.00 (City portion), $683,025.00 (Los Angeles County reimbursement) for a project total of $1,191,000.00) Authorized staff to advertise the project for receipt of construction bids.

MOTION by Council Member Fellhauer, SECONDED by Mayor Pro Tem Fuentes to approve Consent Agenda items 3, 4, 6, 7, 8, and 9. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0.

CALL ITEMS FROM CONSENT AGENDA

5. Consideration and possible action to adopt a Resolution authorizing the annual destruction of identified records in accordance with the provisions of Section 34090 of Government code of the Stated of California. (Fiscal Impact: Not to exceed $1,000.00)

Item to be brought back to the August 21, 2012 City Council Meeting.

F. NEW BUSINESS

10. Consideration and possible action regarding 1) Introduction of an Ordinance and 2) Adoption of a Resolution of Intention to approve an Amendment to the Contract between the Board of Administration of the California Public Employees’ Retirement System (CalPERS) and the El Segundo City Council to (a) Provide Government Code Section 20516(a) (3% Employee Cost Sharing of Additional Benefits) applicable to Local Fire Members and (b) Provide Government Code Section 20475 (Different Level of Benefits for the 3% @ 55 formula) for Local Police Members entering into membership after the effective date of the Contract; and 3) Approval for Staff to administer the Employee Election for Local Fire (Fiscal Impact: 1) Cost savings based on the 3% Cost Sharing under GC § 20516(a) estimated at $164,534.08 for Fiscal Year 2012/13 2) Unknown decrease in the employer safety rate as new employees are hired into the Second Tier).

Deborah Cullen, Finance Director, gave a report.

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1471

AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF EL SEGUNDO AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM.
Council Member Fisher, introduced the Ordinance.

Second reading and adoption scheduled for September 4, 2012.

Mark Hensley, City Attorney, read by title only:

RESOLUTION NO. 4780

RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL, CITY OF EL SEGUNDO

MOTION by Council Member Fellhauer, Seconded by Council Member Fisher to adopt Resolution No. 4780 and approve staff to administer the Employee Election for Cost Sharing. MOTION PASSED BY UNANIMOUS VOICE VOTE 5/0.

G. REPORTS – CITY MANAGER

Reminder; Special City Council Meeting on August 16, 2012; the second Strategic Planning Session.

Preliminary date of August 22, 2012 for the Ribbon Cutting Ceremony for the El Segundo Beach Life Guard/Restroom Facility.

H. REPORTS – CITY ATTORNEY - None

I. REPORTS – CITY CLERK - None

. REPORTS – CITY TREASURER - None

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer –

11. Consideration and possible action to direct staff to prepare a policy prioritizing funding for sidewalk, curb and gutter installation, repairs and replacement for City Council Consideration. (Fiscal Impact: None)

Public Works Director, Stephanie Katsouleas spoke regarding liability for keeping existing side walks, curbs and gutters in repair.

DIRECTION by Council for staff to 1) provide list of streets with no sidewalks, curbs and/or gutters 2) estimated costs to install new sidewalks, curbs and/or gutters and 3) prepare a policy prioritizing funding for new sidewalk, curb and gutter installations, for City Council consideration in September/October 2012.
Attended State of the City.

Attended installation of officers for the League of California Cities, discussed motto presented of “Think Big Think Local” and how it relates to City of El Segundo.

Council Member Atkinson – None

Council Member Fisher –

Discussed State of City; requested the meeting be put on the City’s Website.

Congratulated all the athletes of the 2012 Summer Olympics and especially the USA Women’s Soccer Team.

Mayor Pro Tem Fuentes –

Discussed that tonight is “National Night Out” put on by our Police Department.

Entire City Council participated in the Babe Ruth Tournament opening ceremonies.

Senior Housing Board Meeting attended by herself and Carl Jacobson.

Attended South Bay Council of Governments meeting; spoke about presentations with Metro regarding the 110 HOV.

Mentioned Broadway in the Parks opening, this coming Thursday and that Parks and Recreation Theater production is coming up.

Had lunch with Congressman Henry Waxmen; spoke to him regard sequestration due to be presented to congress in the near future.

Attended Rotary’s Movie in the Park at Chevron.

Announced August 24, 2012 is Dodger Night.

Mayor Jacobson -

Thanked Council Members for working on the presentation for the State of the City.

Attended tour of Air Force Base.

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.

Scott Global, California Edison, spoke regarding conserving energy between 12pm noon and 7pm everyday.

Jack Axelrod, 317 Richmond Street, spoke regarding; 1) Item #1 concerns with trucks entering side streets; 2) Requested Council to consider three resolution regarding; a) releasing Bradley Manning and Proclamation making him a National Hero; b) amendment to reverse Citizens United decision; c) ending all drilling in the Artic d) ending all drone attacks; and 4) thanked Council for their time and effort maintaining the fiscal health of the City, spoke about Council's additional responsibilities.

MEMORIALS –

Shirley Ann Booterbaugh

Tom Lewis

CLOSED SESSION – NONE

ADJOURNMENT 9:21 P.M.

Mona Shilling, Clerk Pro Tem
AGENDA DESCRIPTION:

Consideration and possible action regarding the adoption of Ordinance No. 1470 approving the 222 Kansas Street Specific Plan project by adopting Specific Plan Amendment No. 12-01; Zone Change No. 12-01; Zone Text Amendment No. 12-01; and approving Development Agreement No. 12-01; Subdivision No. 12-02 (Vesting Tentative Map No. 71903); and Site Plan Review No. 12-01 on the site located at 222 Kansas Street. Applicant: Mar Ventures, Inc. on behalf of SMPO Lab, LLC (Fiscal Impact: $450,000 Developer Contribution)

RECOMMENDED COUNCIL ACTION:

1. Waive second reading and adopt Ordinance No. 1470; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance No. 1470 and Attachments (Exhibits A through F)

FISCAL IMPACT: $450,000 (Contribution to the City in lieu of taxes)

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

ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
REVIEWED BY: Sam Lee, Director of Planning and Building Safety
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

I. Background and Discussion

On August 7, 2012, the City Council adopted Resolution No. 4779 approving Environmental Assessment No. 959 for an Addendum to a Mitigated Negative Declaration, including the Errata to the Addendum and the Mitigation Monitoring and Reporting Program (MMRP); and approving General Plan Amendment No. GPA 12-01 for the 222 Kansas Street Specific Plan Project. The City Council also introduced an Ordinance for Specific Plan Amendment No. 12-01; Zone Change No. 12-01; Zone Text Amendment No. 12-01; and approving Development Agreement No. 12-01; Subdivision No. 12-02 (Vesting Tentative Map No. 71903); and Site Plan Review No. 12-01 for the site at 222 Kansas Street. If adopted, Ordinance No. 1470 will become effective in 30 days.

P:\Planning & Building Safety\0 Planning - Old\PROJECTS (Planning)\951-975\EA-959\City Council 08212012\EA-959 CCStaff Report 2ndreading 08212012.doc
EXHIBIT 1

ORDINANCE NO. 1470

AN ORDINANCE APPROVING THE 222 KANSAS STREET SPECIFIC PLAN PROJECT AT 222 KANSAS STREET BY ADOPTING SPECIFIC PLAN AMENDMENT NO. 12-01; ZONE CHANGE NO. 12-01; ZONE TEXT AMENDMENT NO. 12-01; AND APPROVING DEVELOPMENT AGREEMENT NO. 12-01; SUBDIVISION NO. 12-02 (VESTING TENTATIVE MAP NO. 71903); AND SITE PLAN REVIEW NO. 12-01.

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

SECTION 1: The City Council finds and declares that:

A. On February 26, 2009, the Planning Commission ("Commission") approved an Initial Study/Mitigated Negative Declaration (IS/MND) for Environmental Assessment No. EA-788, Subdivision (SUB) No. 08-01, and Smoky Hollow Site Plan Review (SHSP) No. 08-01 to allow: a) construction of five one and two-story buildings totaling 79,513 square feet and b) a subdivision into 55 condominium air space units. If built, the project would have been constructed subject to the requirements of the Medium Manufacturing (MM) Zone. The proposed uses were light industrial, general office, and restaurant uses and the proposed floor area ratio (FAR) was 0.37 (the "Original Project");

B. On January 19, 2012, Mar Ventures, Inc., filed an application on behalf of SMPO Lab, LLC, for an Environmental Assessment (EA No. 959); a General Plan Amendment to re-designate the 4.83-acre project site from Smoky Hollow Mixed Use to "222 Kansas Street Specific Plan" (222 KSSP); a Specific Plan Amendment to remove the subject property from the Smoky Hollow Specific Plan boundaries and to establish a new "222 Kansas Street Specific Plan" (222 KSSP) and to establish the development standards within the Specific Plan; a Zone Change to amend the Zoning Map to rezone the project site from the Medium Manufacturing (MM) Zone with a Grand Avenue Commercial (GAC) Overlay District to the 222 Kansas Street Specific Plan (222 KSSP) Zone; a Zone Text Amendment; to add a new ESMC § 15-3-2(A)(8) "222 Kansas Street Specific Plan"; and to modify ESMC Chapter 15-11; a Development Agreement; a Subdivision of the "Phase 2" property into four parcels and 20 condominium units; and Site Plan Review for construction of a 45,152 square-foot facility operated by the USDA on the southern portion of the property (Phase 1), and two
office buildings totaling 31,000 square feet in floor area on the northern portion of the property (Phase 2) (collectively, the “Project”);

C. The application was reviewed by the 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. Following the environmental review, the City prepared an Addendum to the Initial Study/Mitigated Negative Declaration approved for the Original Project pursuant to CEQA Guidelines § 15164. Pursuant to CEQA, the Addendum need not be circulated for public review (CEQA § 15164(c)). However, an addendum must be considered by the decision-making body before to making a decision on the project (CEQA § 15164(d));

F. Following a public hearing on July 12, 2012, the Planning Commission adopted Resolution No. 2721 recommending that the City Council approve the Project;

G. On August 7, 2012, the City Council held a public hearing and considered the information provided by City staff, public testimony and the applicant, Mar Ventures, Inc.; and

H. This Ordinance and its findings are made based upon testimony and evidence presented to the Council at its August 7, 2012 hearing including, without limitation, the staff report submitted by the Department of Planning and Building Safety.

SECTION 2: Environmental Assessment. Resolution No. 4779 adopted an Addendum to the previously adopted Initial Study/Mitigated Negative Declaration (IS/MND) for this Project which, among other things, properly assesses the environmental impact of this Ordinance, and the Project, in accordance with CEQA. This Ordinance incorporates by reference the environmental findings and analysis set forth in Resolution No. 4779.
SECTION 3: Factual Findings and Conclusions. The factual findings and conclusions set forth in Resolution No. 4779, adopted on August 7, 2012, are incorporated as if fully set forth.

SECTION 4: Specific Plan Findings. Based on the factual findings in Resolution No. 4779, as incorporated into this Ordinance, the 222 Kansas Street Specific Plan (222 KSSP) is required to implement the Project. ESMC § 15-3-2 (A) must be amended to list the 222 Kansas Street Specific Plan (222 KSSP) Zone as a zoning classification within the City to ensure consistency with the General Plan, as amended by the Project. The 222 KSSP Zone designation will not be used elsewhere within the City.

SECTION 5: Zone Change Findings.

A. As set forth in Resolution No. 4779, the proposed Zone Change from Medium Manufacturing (MM) Zone with a Grand Avenue Commercial (GAC) Zone Overlay District to 222 Kansas Street Specific Plan (222 KSSP) Zone is necessary to maintain consistency with the proposed General Plan.

B. The purpose of ESMC Title 15 – Zoning Regulations is the primary tool for implementing the goals, objectives and policies of the General Plan. The zone change will maintain consistency with the General Plan Amendment designating the Project site as 222 Kansas Street Specific Plan. It is also consistent with the General Plan goals, objectives and policies discussed in Section 4 of Resolution No. 4779.

SECTION 6: Zone Text Amendment Findings. Based on the factual findings in Resolution No. 4779, the proposed Zone Text Amendment is necessary to implement the Project.

SECTION 7: Development Agreement Findings. Pursuant to City Council Resolution No. 3268, adopted June 26, 1984, the City Council 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 Development Agreement would provide the following public benefits in exchange for valuable development rights (10-year entitlement with a 5-year extension option):

1. Development of a property that is currently vacant and underutilized.
2. Increasing and further stabilizing the City’s tax base through development of a commercial development.
3. Increase in employment opportunities for the City’s residents.
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 General Plan.
7. Improvements to roadways and intersections in the project vicinity.
8. Contribution of $450,000 to the City.
9. Contribution of police, fire, and parks mitigation fees to offset the impacts of the project on public services when the City issues a building permit.
10. Contribution of traffic impact mitigation fees to offset the impacts of the project on public roadway infrastructure when the City issues certificates of occupancy.

B. As implemented, 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 Project includes a new land use designation and zoning classification which establish the permitted uses and development standards that apply to the Project. These uses and development standards are similar and compatible with the other commercially zoned districts in the City.

C. The Project will not be detrimental to the health, safety and general welfare. The Project will not create any significant negative environmental impacts. The mitigation measures listed in the mitigated negative declaration are sufficient to reduce all identified environmental impacts to less than significant levels.

D. The Project will not adversely affect the orderly development of property or the preservation of property values. The 222 Kansas Street Specific Plan development standards and development agreement will ensure that the Project is developed in an orderly fashion. All mitigation measures will be implemented at the time and place impacts occur.

SECTION 8: Subdivision Findings.

A. The proposed map is consistent with applicable general and specific plans as specified in Government Code § 65451. As set forth in Section 4 of Resolution No. 4779, the Project meets the goals and objectives of the General Plan, and it is consistent with the 222 Kansas Street Specific Plan. Vesting Tentative Map (VTM)
No. 71903 proposes four new lots and 20 condominium units. The proposed lots vary in size and meet the minimum lot sizes and minimum lot frontage required in the 222 Kansas Street Specific Plan.

B. The design of the proposed subdivision is consistent with applicable general and specific plans. As set forth in Section 4 of Resolution No. 4779, this Project meets the goals and objectives of the General Plan and is consistent with the 222 Kansas Street Specific Plan.

C. The site is physically suitable for the proposed type of development in that it will be relatively flat after grading of the site occurs and the existing soil stockpile gets redistributed on the site. The proposed lots meet the size and frontage requirements to allow the subdivision of the one existing parcel into four parcels and 20 condominium units. The previous land use and zoning designation for the property was Smoky Hollow Mixed Use and Medium Manufacturing respectively. The new 222 Kansas Street Specific Plan is similar to the Smoky Hollow Specific Plan in that it permits office, light industrial, manufacturing, and research and development uses. The 222 Kansas Street Specific Plan differs from the Smoky Hollow Specific Plan in that it will also permit governmental uses on the southern parcel subject to a development agreement and it will prohibit commercial retail and restaurant uses.

D. The site is physically suitable for the proposed density of development. The proposed project involves a subdivision of a 4.83 gross acre parcel that will be a 4.65 net acre parcel after land dedications for right-of-way purposes. The proposed maximum density of 0.60 FAR is consistent with the 222 Kansas Street Specific Plan. Each new lot will meet or exceed the minimum size and dimension requirements.

E. The design of the Project is unlikely to cause substantial damage or substantially and avoidably injure fish or wildlife or their habitat. The Project site is an industrial property formerly occupied by International Rectifier Corporation located in an urbanized area surrounded predominantly by various commercial and industrial uses, including general office, medical office, auto repair and light industrial uses, with some multi-family residential uses northwest of the site. There are no fish or wildlife habitats on the site that could be damaged by the proposed subdivision or new development.

F. The design of the Project is not likely to cause serious public health
problems. The IS/MND and Addendum show that the Project will have less than significant impacts on public health. Moreover, before the City issues grading or building permits, the Planning and Building Safety Department will review detailed plans to ensure compliance with applicable health and safety regulations.

G. The design of the Project will not conflict with easements, acquired by the public at large, for access through or use of property within the Project upon completion of vacation of a known Edison easement. Various pipeline easements were identified on the subject site. The proposed subdivision is not anticipated to conflict with any existing easements located at, or near the property once the Edison easement is vacated.

SECTION 9: Site Plan Review Findings.

A. The Project is consistent with the intent and purpose of the 222 KSSP. The Project complies with numerous Goals, Objectives, and Policies of the 222 KSSP. Specifically, the Project is consistent with the following:

1. The Project is consistent with Land Use Element Goal LU1 to “maintain El Segundo’s "small town" atmosphere, and provide an attractive place to live and work” in that the height of the proposed buildings will not exceed 40 feet, thereby maintaining a low building height profile.

2. The Project is consistent with Land Use Element Goal LU4 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 the Downtown in that the Project will allow a new governmental facility and industrial/office uses, but will not impact the Downtown as the uses would be non-competing to those uses located in the Downtown area. The 222 Kansas Street Specific Plan reduces competition as retail uses and eating establishments are not allowed in the Project area. Furthermore, the development will bring in new employees to support the Downtown.

3. The Project is consistent with Land Use Element Policy LU4-1.1 to “require landscaping, its maintenance, and permanent upkeep on all new commercial developments,” in that the proposed site plan exceeds the minimum landscaping requirements of the 222 Kansas Street Specific Plan by
providing landscaping on approximately 15 percent of the site area.

4. The Project is consistent with Land Use Element Objective LU4-4.3 "to provide for new office and research and development uses," in that it provides for approximately 29,706 square feet of office/industrial space and a 45,152 square-foot facility.

5. The Project is consistent with Land Use Element Goal LU5 "to retain and attract clean and environmentally safe industrial uses that provide a stable tax base and minimize any negative impact on the City," in that it provides for approximately 29,706 square feet of office/industrial space and a 45,152 square-foot facility that will be operated by the United States Department of Agriculture (USDA) used for Animal and Plant Health Inspection Services ("APHIS"). The proposed buildings will be at a minimum, constructed to LEED Certified standards in compliance with the U.S. Green Building Council standards in effect as of the Effective Date, or such equivalent standard.

6. The Project is consistent with Land Use Element Objective LU 5-3 to "encourage the rehabilitation of existing substandard blighted industrial areas through the combined efforts of private and public sectors," in that it will lead to development of a currently vacant piece of property and will result in improved aesthetics in the area due to attractively designed buildings and landscaping.

7. The Project is consistent with Land Use Element Objective LU5-6 to "encourage a mix office and light industrial uses in industrial areas," in that it provides for approximately 29,706 square feet of office/industrial space and a 45,152 square-foot facility.

8. The Project is consistent with Economic Development Element Goal ED1 "to create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit," in that it will develop a vacant piece of property with approximately 29,706 square feet of office/industrial space and a 45,152 square-foot facility. The office/industrial buildings will fill a need that is not currently being satisfied in the City, causing tenants to locate outside of the City's boundaries. The USDA facility will be required to make an in lieu payment to the City for loss of taxes which will contribute to the public welfare. The Project will create jobs within the city which will benefit other businesses in the City. Any new infrastructure that is required will be installed
as part of the development so there will be no impact on the current infrastructure capacity.

9. The Project is consistent with Circulation Element Goal C1 to “provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo Community.” The Project is designed with multiple driveway approaches and 25-foot wide drive aisles onsite, which provide for adequate emergency access and circulation. In addition, a traffic study conducted to evaluate the impacts of the Project concluded that it would not have any significant impacts. Furthermore, the developer will be required to pay a Traffic Impact Mitigation Fee to mitigate any potential impacts of the Project.

10. The Project is consistent with Circulation Element Policy C2-2.2 to “encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes changing facilities at or close to the bicyclist’s work destination,” in that it will provide at least 9 bicycle spaces for the proposed USDA facility and 6 bicycle spaces for the two proposed office buildings.

11. The Project is consistent with Circulation Element Objective C3-2 to “ensure the consideration of the impacts of land use decisions on the City’s parking situation,” in that both the USDA facility and the office/industrial buildings in the north portion of the site will exceed the minimum parking requirements. The minimum number of parking spaces required is 95 for the USDA facility and 91 for the office/industrial buildings. The Project will provide 108 parking spaces for the USDA facility and 103 parking spaces for the office/industrial buildings. An additional 21 parking spaces will be provided in the northeast portion of the site to serve as overflow vehicle storage and parking for an existing auto-repair facility across Grand Avenue.

12. The Project is consistent with Conservation Element Goal CN2 to “assist in the maintenance of a safe and sufficient water supply and distribution system that provides for all water needs within the community,” in that the proposed buildings will be at a minimum, constructed to LEED Certified standards in compliance with the U.S. Green Building Council standards in effect as of the Effective Date, or such equivalent standard.

13. The Project is consistent with Air Quality Element Objective AQ10-1 to “control particulate emissions by paving roads and
parking lots or by adopting alternative methods to control particulates," in that it proposes to pave, construct buildings, and install landscaping over a currently vacant 4.83-acre property. Particulate emissions during construction will be minimized through the implementation of mitigation measures included in the Initial Study and Mitigated Negative Declaration (IS/MND) approved for the Project.

14. The Project is consistent with Noise Element Objective N1-2 to "ensure that City residents are not exposed to stationary noise levels in excess of El Segundo's Noise Ordinance standards," in that the proposed uses are primarily office and industrial in nature and are anticipated to have less than significant noise impacts. Noise impacts during construction will be minimized through the implementation of mitigation measures included in the Initial Study and Mitigated Negative Declaration (IS/MND) for the Project.

B. The Project will not have an adverse impact on the public health, safety, or the general welfare. The design of the Project has incorporated design and safety measures to minimize any adverse impact on the neighboring properties in the vicinity.

C. The proposed Site Plan is consistent with the 222 Kansas Street Specific Plan in that the proposed development consists of a 45,152 square-foot 1-story building, two 2-story office/industrial buildings that will total approximately 12,655 square feet and 17,051 square feet respectively, and an overflow vehicle storage parking lot containing 21 parking spaces for an existing auto-repair facility off-site.

D. The proposed Site Plan complies with the development standards as identified for the 222 Kansas Street Specific Plan (222 KSSP) Zone. Specifically, the Project is consistent with the following standards:

1. **222 KSSP § 4.3 (A) - Lot Area.** The proposed lots exceed the minimum lot area requirements, which are 11,200 square feet for all lots, with the exception of the lot fronting Grand Avenue on the northeastern portion of the site (Lot No. 4) which minimum lot area may be 5,000 gross square feet.

2. **222 KSSP § 4.3 (B) – Height.** The proposed buildings are consistent with the maximum height limit of 40 feet in the north portion of the site and 35 feet in the south portion of the site.
The proposed buildings will not exceed 37'-6" and 24'-8" in the north and south portions respectively.

3. **222 KSSP § 4.3 (C) — Setbacks.** The proposed buildings are consistent with the minimum setback requirements, which are 10 feet on Grand Avenue, 8 feet on Franklin Avenue, 5 feet on Kansas Street, and 0 feet from interior property lines. The proposed buildings provide minimum setbacks of 10 feet on Grand Avenue, 17'-4" on Franklin Avenue, 5 feet on Kansas Street, and 5 feet from interior property lines.

4. **222 KSSP § 4.3 (E) — Building Area/Floor Area Ratio (FAR).** The proposed Site Plan is consistent with the maximum FAR requirement of 0.60. The combined net floor area of all the proposed buildings is 68,975 square feet and the net area of the site is 202,454 square feet, which results in a FAR of 0.34.

5. **222 KSSP § 4.3 (F) — Off-Street Parking and Loading Spaces.** The proposed Site Plan exceeds the minimum parking requirements for each portion of the development, which are 91 parking spaces for the office/industrial buildings in the north portion of the site and 95 parking spaces for the USDA facility in the south portion. The proposed Site Plan provides 124 and 108 parking spaces in the north and south portions respectively.

6. **222 KSSP § 4.3 (G) — Landscaping.** The proposed Site Plan exceeds the minimum landscaping requirement, which is seven percent (7%) of the total site area or 14,172 square feet. The proposed Site Plan provides approximately 29,960 square feet of landscaping or 29.6 percent (29.6%) of the total site area.

7. **222 KSSP § 4.3 (H) — Walls and Fences.** The proposed Site Plan provides block wall and decorative wrought iron fencing six to eight feet in height along the interior property lines and portions of the street frontage, which is consistent with the 222 Kansas Street Specific Plan fencing standards.

8. **222 KSSP § 4.3 (I) — Access.** The proposed Site Plan provides adequate pedestrian, vehicular, and emergency access through the use of 5-foot wide sidewalks around the site perimeter, walkways onsite ranging from four to ten feet in width at building entrances and between buildings, multiple driveway approaches ranging from 20 to 40 feet in width, and 25-foot wide drive aisles in the parking areas.
E. The proposed Site Plan is consistent with the 222 Kansas Street Specific Plan design standards in that:

1. The colors, textures, and materials on the exterior elevations will be coordinated to achieve a continuity of design throughout the site, while individual buildings will have contrasting accent features that use multiple exterior building materials and colors. The proposed USDA facility in the south portion of the site will be a one-story building approximately 18 feet tall above finished grade. The siding material will consist of concrete panels that will be painted burnt orange and grey. The burnt orange color will be used as an accent color along the base of the building and as a frame around window and door openings. The elevations will be articulated through the use of multiple windows on all the elevations, vertical architectural reveals at regular intervals, and a decorative cornice along the roofline. The west and east elevations use projecting metal canopies painted a dark brown color to further break up the mass of the elevations. The rooftop mechanical equipment screening is also metal and painted the same color as the canopies to provide a coordinated and consistent appearance.

The proposed office buildings in the north portion of the site will be two stories and approximately 37 feet tall above finished grade. The siding material will vary and consist primarily of red brick or block and smooth plaster painter grey and white. The elevations will be articulated through the use of multiple large windows with green tint and metal canopies painted a dark grey/green color. The elevations of Building A will be further articulated through the use of pop-out windows and changes in the wall planes. The elevations of Building B will be further articulated through the use of plaster siding and exterior walkways on the second level. Overall the office buildings in the north portion of the site will have a consistent theme. In conclusion, the buildings in the north and south portion of the site will use similar materials and colors to achieve continuity of design throughout the site, while individual buildings will provide visual interest through the use of contrasting accent features and multiple exterior materials and colors.

2. The proposed USDA facility and the office buildings will make use of low reflective glass and glazings for the windows to reduce visual impacts on neighboring properties and uses.

3. The architectural design of the proposed USDA facility and office buildings avoids long, plain building elevations and
provide sufficient articulation. As indicated above, the elevations are sufficiently articulated through the use of rooflines with variable height and decorative cornices, through architectural projections such as decorative awnings, projecting window frames, and through the use of exterior walkways, variable building setbacks, and the use of different colors and materials.

SECTION 10: Zoning Map. The current Zoning Map is amended by changing the Project site from Medium Manufacturing (MM) Zone to “222 Kansas Street Specific Plan.” The corresponding changes to the Zoning Map are set forth in attached Exhibit “A,” which is incorporated into this Ordinance by reference.

SECTION 11: Zone Text Amendment. ESMC § 15-3-2(A) is amended to add subsection 8 to read as follows:

“8. 222 Kansas Street Specific Plan

There is one zone intended to be used within the boundaries of the 222 Kansas Street Specific Plan:

222 KSSP - 222 Kansas Street Specific Plan”

SECTION 12: Specific Plan Amendment. ESMC § 15-11-1(A)(1) is amended to read as follows:

“Smoky Hollow is a light industrial/manufacturing region located in central El Segundo. The Project area encompasses approximately one hundred twenty three (123) one hundred nineteen gross acres or over ninety one (91) net acres and is more than ninety five percent (95%) developed. The majority of the present buildings are single or two (2) story and twenty (20) years old or older.”

SECTION 13: Exhibit Amendments. ESMC Chapter 15-11 Exhibit II-2 “Block Conditions Survey;” Exhibit II-3 “Target of Opportunity;” Exhibit II-4 “Base District;” Exhibit II-5 “Circulation Plan;” Exhibit II-6 “Cooperative Parking Opportunities;” Exhibit II-7 “Sewer Master Plan;” Exhibit II-8 “Flood Control and Drainage;” Exhibit III-1 “Lend Use;” and Exhibit III-2 “Floating Zones;” are amended to remove the Project site from the boundaries of the Smoky Hollow Specific Plan in conformance with the revised Exhibits II-2; II-3; II-4; II-5; II-6; II-7; II-8; III-1; and III-2 as depicted in attached Exhibit “B,” which is incorporated by reference.

SECTION 14: Additional Specific Plan Amendment. ESMC § 15-11-5 “Appendix A: Boundary Description” is amended to remove the property described in
attached Exhibit "C," which is incorporated by reference, from the boundaries of
the Smoky Hollow Specific Plan.

SECTION 15: Adopting 222 Kansas Street Specific Plan. The "222 Kansas
Street Specific Plan" is adopted as set forth in attached Exhibit "D," which is
incorporated into this Ordinance by reference.

SECTION 16: Development Agreement. The Development Agreement by and
between the City of El Segundo and SMPO Lab, LLC, as set forth in attached
Exhibit "E," and incorporated into this Ordinance by reference, is approved. The
Mayor is authorized to execute the Development Agreement in a form approved
by the City Attorney.

SECTION 17: Additional Approvals. To the extent they are not otherwise
adopted or approved by this Ordinance, and subject to the conditions listed on
attached Exhibit "F," which are incorporated into this Ordinance by reference, the
City Council approves Specific Plan Amendment No. 12-01, Zone Change No.
12-01, Zone Text Amendment No. 12-01, Development Agreement No. 12-01,
Subdivision No. 12-02 (Vesting Tentative Map No. 71903), and Site Plan Review
No. 12-01.

SECTION 18: Reliance on Record. Each and every one of the findings and
determinations in this Ordinance are based on the competent and substantial
evidence, both oral and written, contained in the entire record relating to the
Project. The findings and determinations constitute the independent findings and
determinations of the City Council in all respects and are fully and completely
supported by substantial evidence in the record as a whole.

SECTION 19: Limitations. The City Council's analysis and evaluation of the
Project is based on the best information currently available. It is inevitable that in
evaluating a project that absolute and perfect knowledge of all possible aspects
of the Project will not exist. One of the major limitations on analysis of the
Project is the City Council's knowledge of future events. In all instances, best
efforts have been made to form accurate assumptions. Somewhat related to this
are the limitations on the City's ability to solve what are in effect regional, state,
and national problems and issues. The City must work within the political
framework within which it exists and with the limitations inherent in that
framework.

SECTION 20: Summaries of Information. All summaries of information in the
findings which precede this section, are based on the substantial evidence in the
record. The absence of any particular fact from any such summary is not an
indication that a particular finding, is not based in part on that fact.

SECTION 21: Effectiveness of ESMC. Repeal or amendment of any provision
of the ESMC will not affect any penalty, forfeiture, or liability incurred before or
preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 22: Memoralization: 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 23: Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.
SECTION 24: Effective Date. This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED, APPROVED AND ADOPTED this 21st day of August 2012.

__________________________
Carl Jacobson, Mayor

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. 1470 was duly introduced by said City Council at a regular meeting held on the 7th day of August 2012, 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 21st day of August 2012, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

__________________________
Tracy Weaver, City Clerk

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

By: _______________________
Karl H. Berger, Assistant City Attorney
SMOKY HOLLOW SPECIFIC PLAN

TARGET OF OPPORTUNITY (15 Year Horizon)

Legend

- PRIMARY MINE AREA BOUNDARY
- LAND USE DEVELOPMENT OPPORTUNITY

8 SEPULVEDA BLVD

113 (Rev)
CITY COUNCIL ORDINANCE NO. 1470 EXHIBIT C

El Segundo Municipal Code § 15-11-5: APPENDIX A; BOUNDARY DESCRIPTION

Smoky Hollow Specific Plan Boundary Description

Add the following subsection E in a separate paragraph immediately below subsection 15-11-5(D) - Eastern Boundary description:

"E. Boundary Amendment: As part of Environmental Assessment No. EA-959, General Plan Amendment No. GPA 12-01, Specific Plan Amendment No. SPA 12-01, Zone Change No. ZC 12-01, Zone Text Amendment No. ZTA 12-01, Subdivision No. SUB 12-02, and Development Agreement No. DA 12-01 the following area was removed from the Smoky Hollow Specific Plan:

Parcel A

All of Parcel 4 of Parcel Map No. 7707, in the City of El Segundo, County of Los Angeles, State of California, as per map filed in book 100, page 78 of parcel maps; together with that portion of Parcels 1 and 2 of Parcel Map No. 10427, in said City, County and State, as per map filed in book 113, page 25 of parcel maps, both in the office of the county recorder of said county, lying westerly and southwesterly of the following described line:

Commencing at the westerly terminus of the northerly line of said Parcel 1 of said Parcel Map No. 10427, said northerly line being shown on said Parcel Map as bearing north 89° 53' 52" east, 158.66 feet; said northerly line also being the southerly right of way line of Grand Avenue, 60 feet wide, as shown on said Parcel Map No. 10427; said southerly right of way line also being the northerly line of said Parcel 4 of said Parcel Map No. 7707 and the northerly line of said Parcel 2 of said Parcel Map No. 10427, all as shown on said Parcel Map No. 10427;

thence along said northerly line of said Lot 1 of Parcel Map No. 10427 and continuing along the northerly lines of said Parcel 4 of said Parcel Map No. 7707 and said Parcel 2 of said Parcel Map No. 10427, North 89° 53' 52" East, 308.01 feet to the true point of beginning;

thence leaving said northerly line, South 00° 06' 08" East, 152.16 feet;

thence North 89° 53' 52" East, 60.48 feet to the southwesterly line of said Lot 2 of said Parcel Map No. 10427; said southwesterly line shown as bearing North 54° 09' 12" West on said Parcel Map;
thence along said southwesterly line, South 54° 09' 12" East, 95.11 feet to
the point of intersection with a line that is parallel with and 297.00 feet
northerly, measured at right angles, from the northerly right of way line of
Franklin Avenue, 50 feet wide, said street right of way width being shown
on said Parcel Map No. 10427.

Excepting therefrom that portion of said Parcel 1 of said Parcel Map No.
10427 lying southerly of said line that is parallel with and 297.00 feet
northerly, measured at right angles, from the northerly right of way line of
Franklin Avenue, 50 feet wide, said street right of way width being shown
on said Parcel Map No. 10427.

**Parcel B**

That portion of Parcel 1 of Parcel Map No. 10427, in the City of El
Segundo, County of Los Angeles, State of California, as per map filed in
book 113, page 25 of parcel maps, lying southerly of a line, parallel with
and 297.00 feet northerly, measured at right angles, from the northerly
right of way line of Franklin Avenue, 50 feet wide, said street right of way
width being shown on said Parcel Map No. 10427.”
City Council Ordinance No. 1470 Exhibit D

222 Kansas Street
Specific Plan

City of El Segundo

JUNE 2012
222 KANSAS STREET SPECIFIC PLAN

1.0 SUMMARY

This Specific Plan was prepared to provide guidance and to allow flexibility in developing the 4.83 gross acre property located at 222 Kansas Street (the "Project Site") consistent with the adjoining uses. The Specific Plan guides the build-out of the Project Site in a manner that is consistent with City and State policies and standards and ensures that the Project is developed in a coordinated manner.

Under this Specific Plan, the Project Site will be split into two sections, a southerly 3.1 net acre parcel and a northerly 1.55 net acre parcel which may be divided into four parcels, for a total of 5 parcels. An additional .18 acres of street frontage will be dedicated to the City along Grand Avenue (10 feet), Kansas Street (5 feet), and Franklin Avenue (5 feet); an additional 9 feet of the 1.55 acre parcel along Grand Avenue will be irrevocably offered to the City for dedication. The entire Project Site can be used for any of the uses set forth in this Specific Plan. On the northerly portion of the property, a .14 acre parcel will be created out of the 1.55 acres on the eastern side (1600 East Grand Avenue) for a reconfigured storage lot for the existing Jim and Jack's Collision Center. With this reconfiguration, the parking facility will be screened in and hidden from public view.

A site plan was developed for the Project Site and is attached as Exhibits 2 - 8 and incorporated into the Specific Plan by this reference ("Approved Site Plan"). Under the Approved Site Plan, the southerly 3.1 acres will initially be developed for the United States Department of Agriculture ("USDA") as its new Animal and Plant Health Inspection Services ("APHIS") and the northerly 1.55 acre parcel will be subdivided into 4 separate parcels, one of which (1600 East Grand Avenue) is the storage lot for the existing Jim and Jack's Collision Center. Two office/industrial buildings, to be divided into ten commercial condominiums each, will be built on the remaining 1.41 acres, along with parking spaces for 103 vehicles. Detailed text and exhibits which more fully describe the Approved Site Plan are included at Section 5.7 of this Specific Plan.

The Specific Plan does not require that the Project Site be developed pursuant to the Approved Site Plan. An alternate site plan may be submitted and the Project Site can be utilized for any of the uses allowed in the Specific Plan in accordance with the development standards set forth herein.

1.1 PURPOSE AND AUTHORITY OF SPECIFIC PLAN

The purpose of this Specific Plan is to regulate land uses on the Project.

This Specific Plan was adopted in accordance with the provisions of Government Code §§ 65450 through 65457. These sections also identify the required contents of a Specific Plan and mandate consistency with the General Plan.

According to Government Code § 65450, a Specific Plan must include text and a diagram or diagrams which specify all of the following in detail:

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

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

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

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

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

This Specific Plan reconciles the policies of the El Segundo General Plan and actual development of the Project Site. By functioning as a regulatory document, the 222 Kansas Street Specific Plan implements the goals, policies, and objectives of the El Segundo General Plan. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in this document.

1.2 PROJECT GOALS

The goal of this Specific Plan is to develop the Project Site with office and industrial uses. This Specific Plan provides regulations that allow for expanded office space – beyond that originally contemplated for the site – in conjunction with industrial uses and allows construction and operation of a federal government facility.

1.3 PROJECT LOCATION AND ADJACENT LAND USES

Regionally, the Project Site is located in the northwest quadrant of the City of El Segundo. It is bordered by Grand Avenue to the north, Franklin Avenue to the south, and Kansas Street to the west. The Property lies approximately 500 feet west of Sepulveda Boulevard. The Project Site is located less than one mile south of Interstate 105, approximately 1.75 miles west of Interstate 405, and less than 1.75 miles east of the Pacific Ocean.

Surrounding land uses primarily consist of light industrial and commercial facilities. Multi-family residential properties are located northwest of the site, across the intersection of Kansas Street and Grand Avenue. Commercial uses occupy the building north of the site across Grand Avenue. Light industrial/commercial uses are located northeast of the site across Grand Avenue. The majority of the space east of the site is occupied by the Military Entrance Processing Station ("MEPS"). Land south of the MEPS, but still to the east of the Project Site, is occupied by additional commercial uses including the Grateful Dogs Clubhouse. Commercial/industrial sites lie south and southeast of the Project Site. Commercial buildings lie to the west of the project site across Kansas Street, between Franklin Avenue and Grand Avenue. All of the surrounding property lies within the Medium Manufacturing District of the
Smoky Hollow Specific Plan area; portions of the surrounding property have the Grand Avenue Commercial Site Overlay.

**Exhibit 1 - Adjacent Properties**

![Map showing adjacent properties](image)

1.4 **PROJECT SITE HISTORY**

The Project Site formerly housed International Rectifier Corporation ("IRC") and was classified as a heavy manufacturing facility. Except for the parcel at 1600 East Grand Avenue which is being used as overflow storage for Jim and Jack's Collision Center across the street, the Project Site is now undeveloped. There is a permanently capped oil well located on the southern portion of the Project Site.

In February 2009, the City approved an Initial Study/Mitigated Negative Declaration for the Segundo Business Park which was a proposed development that would have subdivided the Project Site into 55 commercial and light industrial condominium units to be located in six on-site buildings. The Business Park would have been subjected to the development restrictions of the Medium Manufacturing District of the Smoky Hollow Specific Plan, which contains limits on the amount of office space that could be developed. The Business Park would have had a gross FAR of 0.41 and the heights of the structures would have been limited to 35 feet. Office and restaurant uses would have occupied 32 of the units and light industrial uses would have occupied the remaining 23 units. The Business Park also included a lot line adjustment with adjacent parcels to the east of the site along Grand Avenue which would have allowed the triangular parking lot that handles the overflow storage of damaged vehicles awaiting repair at Jim and Jack's Collision Center to be replaced with a walled-in parking lot. The Business Park was never financially feasible and the Project Site reverted to the bank.

In August 2010, the USDA began its search for a new facility for its Animal and Plant Housing Inspection Services with specific location criteria that required it to be in the proximity of LAX. In October 2011 SMPO Properties was awarded the project to build the APHIS facility on the vacant property on Kansas Street and SMPO acquired the Project Site that same month. A
short time later SMPO Properties and Mar Ventures, Inc. partnered to develop the entire 4.83 acres under a Specific Plan in order to allow the development of the APHIS facility and other buildings on the Site.

An application for this Specific Plan, along with related applications for discretionary land use approvals, was filled with the City in early 2012. Before these applications were considered, the City approved Lot Line Adjustment LLA 12-03 between SMPO Lab, LLC and the owners of the MEPS and Jim Jack’s Collision Center properties to the east to realign the eastern boundary of the Project Site and divide the Project Site into the northerly 1.55 acre parcel and southerly 3.1 acre parcel.

1.5 Existing Site

The proposed Project Site is currently undeveloped. There are no uses on the Property except for the overflow storage for Jim and Jack’s at 1600 East Grand Avenue. The site slopes from north to south. The only impervious surface on the Project Site is the overflow parking in the northeastern corner.

The Specific Plan area will encompass the entire 4.83 gross acre/4.65 net acre site.

1.6 CEQA Compliance

In compliance with CEQA the Mitigated Negative Declaration for the Segundo Business Park was used for this Project along with an Initial Study/Mitigated Negative Declaration Addendum prepared in June, 2012.

1.7 Project Description

The 222 Kansas Street Specific Plan will be developed in substantial conformance with the land use and development standards set forth in Section 4.0 below. The Specific Plan area will be limited to an overall FAR of 0.60 which would allow development of 121.474 net square feet area over the 4.65 net acres. The Project Site may be developed with any of the uses allowed under Section 4.1 and in conformance with the development standards of Section 4.3.

**Northerly 1.55 acres** – this portion of the Project Site will be divided into a minimum of two parcels, one of which will be a .14 acre parcel at 1600 East Grand Avenue which will house the reconfigured overflow storage for the existing Jim and Jack’s Collision Center. With the reconfiguration the parcel will be fenced in and set back from Grand Avenue. The lot at 1600 East Grand Avenue will continue to take access off of Grand Avenue; the remaining 1.41 acres will take access off of a driveway on Kansas Street.

**Southerly 3.1 acres** – in addition to the uses allowed for the northerly portion, this portion of the Project Site may also be used for a facility to be leased by a governmental or other tax-exempt entity provided that the development does not exceed 50,000 square feet and is subject to a Development Agreement. Access to this portion of the Project Site will be taken from a second driveway on Kansas Street and up to two driveways on Franklin Avenue, one of which may be up to 40 feet wide.

**Remaining 0.18 acre** – the remaining acreage would be dedicated to the City as follows: 10 feet along Grand Avenue; 5 feet along Kansas Street; and 5 feet along Franklin Avenue.
1.8 Entitlements

The following entitlements were required for this Project.

- Environmental Assessment EA-959 – Initial Study/Mitigated Negative Declaration Addendum

- General Plan Amendment GPA 12-01 changing the land use designation of the Project Site from Smoky Hollow to 222 Kansas Street, adding language to the Land Use Element of the General Plan, and revising Exhibit LU-3 of the Land Use Element.

- Specific Plan Amendment SPA 12-01 deleting the Project Site from the Smoky Hollow Specific Plan Area and creating a new 222 Kansas Street Specific Plan Area.

- Zone Text Amendment ZTA 12-01 to: 1) amend ESMC § 15-11-1 to reflect the reduced acreage of the Smoky Hollow Specific Plan area; 2) amend ESMC § 15-11-5 to delete the 4.83 acre Project Site from the northern property description of the Smoky Hollow Specific Plan; 3) amend Exhibits II-4 through 11-8 and III-1 and III-2 to eliminate the 222 Kansas Street Specific Plan area from the Smoky Hollow Specific Plan maps; and 4) add a new ESMC § 15-3-2(A)(8) “222 KSSP - 222 Kansas Street Specific Plan.”

- Zone Change ZC 12-01 to reclassify Project Site from Smoky Hollow Specific Plan to 222 Kansas Street Specific Plan.

- Development Agreement DA 12-01 between the City of El Segundo and SMPO Lab, LLC, a Delaware Limited Liability Company.

- Vesting Tentative Map No. SUB 12-02- dividing the northerly 1.55 acres into 4 separate parcels.

- Site Plan Review SPR 12-01 for the site plan contained in this Specific Plan.
2.0 CONSISTENCY WITH THE GENERAL PLAN

Government Code § 65454 requires that the Specific Plan be consistent with the General Plan. Government Code § 65451 requires a statement of relationship between the Specific Plan and the General Plan. The two elements that are most related to the Project are the Land Use Element and the Economic Development Element; the consistency with these two elements is discussed below. A more detailed General Plan Consistency analysis is included at Appendix A.

The uses allowed under this Specific Plan are very similar to the uses that are allowed under the Smoky Hollow Specific Plan which previously encompassed the Project Site. The primary differences are as follows:

- The Medium Manufacturing District of the Smoky Hollow Specific Plan allows general offices, but with a square foot limitation as to the amount of office space that can be developed. This Specific Plan provides for office uses on all portions of the Project Site which will be limited in square footage only by development standards.

- The Grand Avenue Commercial Overlay Zone would allow medical and dental office if activated on the northern portion of the Project Site, but then industrial uses would not be allowed. The Specific Plan provides for these uses on all portions of the Project Site in conjunction with industrial uses.

- The Specific Plan allows for a governmental or non-profit entity to operate its facilities in the southerly portion of the Project Site area.

- The Specific Plan specifically allows automotive storage facilities in order to account for the existing Jim and Jack's overflow storage lot at 1600 East Grand Avenue.

- Eating establishments and retail businesses are prohibited uses under this Specific Plan.

2.1 ECONOMIC DEVELOPMENT ELEMENT

The Economic Development Element of the General Plan is concerned with the economic health of the commercial and industrial uses in the City. It focuses on the expansion and maintenance of El Segundo's economic base and on the enhancement of the City's business climate since economic development goals and policies help maximize the City's economic development potential. The Economic Development Element specifically recognizes the City's location as a "product" and the buyers are the businesses which wish to locate in this location which is close to LAX, ground transportation and freeways. The Economic Development Element also recognized the possibility of redeveloping large sites as they become vacant. One of the primary goals of the Economic Development Element is to create a strong, healthy economic community in which all stakeholders can benefit. With this goal in mind, the Economic Development Element sets policies of maintaining economic development as a top priority and maintaining and promoting land uses that improve the tax base while balancing economic growth and quality of life.

This Specific Plan achieves the goal of creating a strong and healthy economic community by providing the mechanism to redevelop a currently vacant and undeveloped piece of property.
The additional persons that will be employed in the Specific Plan development will further help to strengthen the City's economy as there will be more individuals to shop in the nearby commercial areas, including the Downtown area, and use the services in the surrounding community.

Under the Approved Site Plan, the southerly 3.1 acres will be developed with the 45,152 square foot USDA facility that will employ approximately 45 persons. The USDA chose this location precisely because of the location factors recognized in the Economic Development Element. Although the USDA would be exempt from several taxes, the Development Agreement that is tied to the Specific Plan will require payment to the City to offset this loss. Also under the Approved Site Plan, the northerly 1.55 acres will be developed with two buildings totaling slightly under 31,000 square feet. These buildings would fill a need for smaller office space in the South Bay area as most small tenants are forced to lease space in mid- and high-rise buildings rather than purchase their own space. It is estimated that these two buildings will provide employment opportunities for approximately 90 people.

2.2 LAND USE ELEMENT

The Land Use Element of the General Plan recognized the growing trends of office development and light manufacturing, research and development, wholesaling, distributing, and laboratories, rather than heavy manufacturing. The Project Site was previously designated as, and is surrounded by, the Smoky Hollow Specific Plan area which allows for primarily light industrial uses including light manufacturing, research and development, warehousing, and office uses. The maximum FAR for newly constructed projects in the Medium Manufacturing District of the Smoky Hollow Specific Plan area is 0.6. The Specific Plan development will be consistent with the uses and development standards of the surrounding Smoky Hollow Specific Plan as both Specific Plan areas allow an FAR of 0.6.

One of the goals of the Land Use Element is to provide an attractive place to live and work while maintaining the City's small town atmosphere. In order to accomplish this goal the Land Use Element sets the objective of preventing deterioration and blight. The Specific Plan implements this goal and objective by providing for development on a large, vacant parcel that is currently being used only for construction staging. The development standards set forth herein will ensure that the Project is of a high quality.

Another goal of the Land Use Element is to provide a stable tax base for the City without adversely impacting the Downtown area. This goal has a specific objective of providing for new office and research and development uses. The development allowed by the Specific Plan will contribute to the City's tax base through an increase in property taxes, an increase in sales taxes due to the influx of new employees as well as individuals patronizing new businesses, and compensation paid to the City for the loss of taxes that would have otherwise been paid if the southerly portion is developed by a tax-exempt entity. The uses allowed under the Specific Plan will not impact the Downtown area; instead these uses will help stimulate business in the Downtown area by the influx of new persons in the area.
2.3 **OTHER ELEMENTS**

As set forth above, the Specific Plan is very similar to the previous Smoky Hollow Specific Plan and therefore, the Specific Plan is consistent with the other elements of the General Plan just as the Smoky Hollow Specific Plan was consistent.

3.0 **PHYSICAL DEVELOPMENT**

3.1 **CIRCULATION**

Access to the northerly 1.55 acres of the Project Site will be from an entrance on Kansas Street. The overflow storage lot at 1600 East Grand Avenue will continue to take access from a driveway on Grand Avenue. The southerly 3.1 acres will take access from a second driveway on Kansas Street and up to two driveways on Franklin Avenue. All parking lots will be designed to provide adequate circulation and emergency access as well as comply with or exceed all other City standards, except as modified by this Specific Plan. The Director of Planning and Building Safety may allow parking areas not to be interconnected as part of the site plan review process.

3.2 **UTILITIES AND INFRASTRUCTURE**

A. **Water Service**

Water service is provided by the City of El Segundo and is currently available within the Specific Plan Area. Water to the buildings will be provided by an 8" water line in Franklin Avenue. The Project would maintain this connection, add connections as necessary if the existing line does not have adequate capacity, and provide for on-site domestic and fire water services.

B. **Sewer Service**

Sewer service within the Project Area, which is west of Sepulveda Boulevard, is provided by underground sewers maintained by the City of El Segundo. The site is currently served by an 8" sewer line in Franklin Avenue. If an existing sewer lateral exists on the property and is sized to handle the capacity of the proposed sewage flow, then a connection will be made to the lateral. If no existing lateral is found, or if it is undersized, then a new sewer later will be installed to the existing 8" sewer line in Franklin Avenue.

C. **Solid Waste Disposal**

Solid waste disposal is provided to commercial users by a variety of private haulers. Landfill capacity is adequate for the assumed population and commercial growth within Los Angeles County. The 222 Kansas Street Specific Plan would not exceed any assumptions for commercial growth in the region.

D. **Gas Service**

Gas service is provided by Southern California Gas Company. A 6" service line is available in Franklin Avenue.
E. Electric/Telephone and Cable Service

Electric service is provided by Southern California Edison. Telephone service is provided by AT&T, Verizon and Sprint via existing lines in adjacent streets and cable service is provided by Time Warner Cable, Direct TV and Dish Network.

F. Fire Suppression

The El Segundo Fire Department (ESFD) provides fire protection services and emergency medical service to the City. The Specific Plan area is approximately 1 mile from Station 1 located at 314 Main Street in Downtown El Segundo and approximately 1.6 miles from Fire Station 2 located at 2261 Mariposa Avenue. Water for fire suppression is available from existing water lines via hydrants adjacent to the Project Site. Private hydrants will be installed if required to provide coverage for approved structures.

G. Police Services

The El Segundo Police Department provides police protection services to the City. The Specific Plan area is approximately 1 mile from the police station located at 348 Main Street.

H. Storm Drains

All storm drainage from the site will be collected, treated and diverted to an on-site retention system sized to meet the Los Angeles County SUSMP requirements. Overflow from this system will drain through the curb face on Franklin Avenue. If there is not adequate slope for the runoff to drain through the curb face, a connection will be made to an existing curb inlet catch basin on Kansas Street, just north of the intersection with Franklin Avenue. The catch basin connects to an existing 66" line that is owned and maintained by the Los Angeles County Flood Control District.
4.0 LAND USE AND DEVELOPMENT STANDARDS

4.1 USES

PERMITTED USES:

A. Art studios
B. Automotive storage in relation to an automobile repair facility
C. General and/or multimedia related offices
D. Medical and dental offices
E. Light assembly and processing
F. Light industrial
G. Manufacturing
H. Mixed use projects including commercial (other than retail), office and light industrial uses
I. Parking structures and parking lots
J. Public facilities, public utilities
K. Research and development
L. Warehousing and distribution
M. For the southerly portion of the property only, facilities to be leased by governmental or other tax-exempt entity up to 50,000 square feet, subject to the requirement of a Development Agreement
N. Other similar uses approved by the Director of Planning and Building Safety, as provided by ESMC Chapter 15-22.

PERMITTED ACCESSORY USES:

A. Any use customarily incidental to a permitted use
B. Employee recreation facilities and play areas
C. Open storage incidental to a principal use
D. Single caretaker units at the ratio of one per legal building site or business establishment whichever is larger
E. Other similar uses approved by the Director of Planning and Building Safety, as provided by ESMC Chapter 15-22

**USES SUBJECT TO ADMINISTRATIVE USE PERMIT:**

Other similar uses approved by the Director of Planning and Building Safety, as provided by ESMC Chapter 15-22.

**USES SUBJECT TO CONDITIONAL USE PERMIT:**

The following uses are allowed subject to obtaining a conditional use permit, as provided by ESMC Chapter 15-23:

A. Automobile service uses, if a three hundred foot (300') minimum distance from any residentially zoned property is provided

B. Service stations, if a five hundred foot (500') minimum distance from any residentially zoned property is provided

C. Other similar uses approved by the Director of Planning and Building Safety, as provided by ESMC Chapter 15-22

**PROHIBITED USES:**

A. Automobile dismantling businesses

B. Retail sales, restaurants and cafes

C. Automobile service uses located within three hundred feet (300') of any residentially zoned property

D. Drive-through restaurants

**4.2 DISTRIBUTION AND LOCATION OF LAND USE**

The northerly 1.55 acres will be developed with four separate parcels in order to create a 0.14 acre parcel at 1600 East Grand Avenue for the relocated storage for Jim and Jack's Collision Center along the eastern portion of the property. Land uses may be distributed anywhere on the Project Site provided they fall within the uses allowed by Section 4.1 and meet the remaining development standards of this Section 4.0.

The southerly 3.1 acres will be developed as one parcel with the USDA's 45,152 square foot APHIS facility initially occupying the building. The operations will include office, lab, and warehouse uses. Approximately 97 parking spaces will be provided.
4.3 Site Development Standards

Except as otherwise provided, this Specific Plan must be administered pursuant to the ESMC. The development standards in this Specific Plan are intended to provide flexibility in the development while providing consistency with adjacent uses.

A. Lot Area

The minimum lot area is 11,200 square feet with the exception of the lot fronting Grand Avenue on the northeastern portion of the site (Lot No. 4) which minimum lot area may be 5,000 gross square feet.

B. Height

Northerly 1.55 acres

No building or structure can exceed forty (40) feet in height, with the exceptions of parapets and other auxiliary structures that cannot exceed forty-five (45) feet in height.

Southerly 3.1 acres

No building or structure can exceed thirty-five (35) feet in height, with the exceptions of parapets and other auxiliary structures that cannot exceed forty-five (45) feet in height.

C. Setbacks

Front Yard: No parking is allowed in the setback area. The setbacks are as follows:

- Grand Avenue: 10 foot minimum (includes 9' irrevocable offer of dedication)
- Franklin Avenue: 8 foot minimum
- Kansas Street: 5 foot minimum

Side Yard: no side yard setback is required unless the side yard abuts one of the following dedicated streets, in which case the setbacks are as follows:

- Grand Avenue: 10 foot minimum (includes 9' irrevocable offer of dedication)
- Franklin Avenue: 8 foot minimum
- Kansas Street: 5 foot minimum

Rear Yard: No rear yard setback is required, unless the rear yard abuts one of the following dedicated streets, in which case the setbacks are as follows:

- Grand Avenue: 10 foot minimum (includes 9' irrevocable offer of dedication)
- Franklin Avenue: 8 foot minimum
- Kansas Street: 5 foot minimum

Fences and gates may encroach in the setback areas.
D. Lot Frontage

No requirement.

E. Building Area/Floor Area Ratio (FAR)

The FAR of the entire Project Site, as opposed to individual parcels, cannot exceed 0.60. The FAR is to be based on net square footage of the buildings and the net square footage of the Project Site.

F. Off-Street Parking and Loading Spaces

Off street parking and loading are provided as required by ESMC Chapter 15-15, with the exception of the following:

1. Up to 35% of the parking spaces may be compact spaces;

2. Emergency generators may be allowed in the parking area provided that they do not reduce required parking and they are decoratively screened;

3. The landscaped setback for the auto storage lot needs to only be 10 feet to the first parking space;

4. The requirement that parking areas be connected may be modified as part of the site plan review process; and

5. The number of required loading areas may be modified as part of the site plan review process.

G. Landscaping

Landscaping requirements are as follows:

1. A minimum of seven percent (7%) of the total site's square footage must be devoted to landscaping;

2. Landscaping is not required in side yard setbacks unless the side yard abuts a dedicated street or abuts a different zone;

3. Landscaping must consist of trees, shrubs, vines, bushes, flowers, ground coverings or any combination thereof;

4. Landscaping cannot consist solely of artificial plants, artificial turf, crushed rock, redwood bark or decorative pavement;

5. In the front yard setback, an at-grade or raised planter landscaping must be employed. A permanent evergreen ground cover (turf, ivy) and trees are the basic material recommended. One fifteen (15) gallon tree must be provided for every twenty five feet (25') of lot frontage on a dedicated street;
6. All landscaped areas must be provided with permanent watering facilities;

7. Landscaping along Grand Avenue is only required to be ten (10) feet;

8. Patios may encroach within the setback areas and no landscaping is required in such areas;

9. Emergency generators may be located in the landscaping area, but must be decoratively screened with opaque material.

H. Walls and Fences

All walls and fences must comply with ESMC § 15-2-4. Decorative masonry, open work wrought iron and similar materials are permitted. The use of chain link and razor wire is prohibited.

I. Access

1. All development projects must provide adequate access for emergency vehicles. In addition, all development projects must provide pedestrian access between buildings and transit facilities located on site and/or off site, if within adjoining public rights-of-way.

2. The lot at 1600 East Grand Avenue may continue to take access from Grand Avenue.

3. Driveways of up to 40 feet on Franklin Street may be allowed as part of the site plan review process.

J. Signs

Signs located in the Specific Plan area must comply with the requirements of ESMC Chapter 15-18.

K. Energy Standards

The development must be built to a minimum of LEED Certified standard or such other equivalent standard determined by the Director of Planning and Building Safety. Actual LEED certification is not required, however, the applicant must demonstrate that the project is built to a minimum of LEED Certified standard or such other equivalent standard using the GBCI scorecard prepared by a qualified professional with a LEED AP credential. The Director of Planning and Building Safety will determine if the items identified on the scorecard and report, show a good faith effort to meet such standard. LEED stands for the Leadership in Energy and Environmental Design (LEED) Green Building Rating System developed by the United States Green Building Council (USGBC) and provides a suite of standards for environmentally sustainable construction.
L. Design Standards

The following minimum design standards must be incorporated in all projects within the Plan area:

1. All colors, textures, and materials on exterior elevation(s) must be coordinated to achieve a continuity of design throughout the 4.83 acre portion of the Project Site, regardless of whether the buildings are developed at the same time;

2. The buildings must have contrasting accent features that use at least two primary exterior building materials (including, without limitation, concrete, stucco, stone, rock, and brick) and/or two exterior colors;

3. Building materials must be of non-reflective coatings and glazings and windows must use low-reflectivity glass;

6. Long, plain building elevations must be avoided; sufficient articulation must be provided;

5. Plans must be reviewed and approved by the Director of Planning and Building Safety for compliance with these Design Standards. If the Director finds that such plans are non-compliant, an applicant may appeal that decision in accordance with the ESMC.

M. Phasing

Rough grading will occur over the entire Specific Plan area at one time. The Project Site may be developed in one or more phases which may occur concurrently.

N. Transportation Demand Management (TDM)

Except as provided by this Specific Plan, development is required to comply with the TDM requirements of ESMC Chapter 15.16. In determining the size of the development, the northerly and southerly developments must be treated as two separate developments absent submission of a different site plan which shows a combined development over the two portions. All development on the northerly portion, with the exception of the auto storage lot, must be treated as one development.

Regardless of the size of the development, bicycle racks must be provided for each phase of development.

Regardless of the size of the development, each development must provide a bulletin board, display case or kiosk displaying transportation information located where it is visible to the greatest number of employees. Information in the area must include, without limitation, the following:

1. Current maps, routes and schedules for public transit routes serving the site;

2. Telephone numbers for referrals on transportation information including numbers for the regional ridesharing agency and local transit operators;
3. Ridesharing promotional material supplied by commuter-oriented organizations;

4. Bicycle route and facility information including regional/local bicycle maps and bicycle safety information; and

5. A list of facilities available for carpoolers, vanpoolers, bicyclists, transit riders, residents and pedestrians at the site.

4.4 Modifications

A. Major Modifications

The following modifications constitute a Major Modification and require an amendment to this Specific Plan:

1. Any decrease in the required building setbacks;

2. Any increase in the total developable square footage or FAR of the entire Property;

3. Any increase in height of buildings or structures on the Property;

4. Any decrease in the minimum required lot area;

5. Any change in use to a use which is not permitted herein;

6. Any deviation from the uses and development standards or limitations set forth in Sections 4.1 through Section 4.3 of this Specific Plan, except to the extent these Sections specifically provide for the Council or Director of Planning and Building Safety to approve such changes;

7. Any material modification to Developer’s obligation to build to LEED standards, or such other alternative as determined by the Director of Planning and Building Safety for the Project; or

8. Any material modification that requires modification to the MND, other than an Addendum.

9. Other than the Major Modifications listed above, all other modifications to the Project are considered “Minor Modifications.”

B. Minor Modifications/Administrative Approvals

Any modification to the Project or Project Approvals not listed in subsection A above, including a use approved subject to an Administrative Use Permit, is a Minor Modification. The Developer may make Minor Modifications without amending this Specific Plan upon the administrative approval of the Director of Planning and Building Safety or designee, provided that such modifications are consistent with the Development Standards, Applicable Rules and Project Approvals.
5.0 SITE PLAN REVIEW

The following procedures shall apply for development of any site plan, with the exception that the Approved Site Plan approved concurrently with this Specific Plan does not require any separate approval other than the Director of Planning and Building Safety reviewing the submitted building plans to ensure conformance with the Approved Site Plan. Absent a change triggering a major modification under Section 4.4A, revisions to the Approved Site Plan or the submission of a new Site Plan that is in accordance with the provisions of Section 4.0 does not require an amendment to this Specific Plan.

5.1 OVERVIEW

In order to develop a project that is in conformance with the uses, density and FAR approved in this Specific Plan, a site plan review ("SPR") application must be filed with the Department of Planning and Building Safety.

5.2 APPLICATION FOR SITE PLAN REVIEW - CONTENTS

The site plan review application must be submitted in conformance with applicable City application requirements and must include all information deemed necessary by the Director of Planning and Building Safety to address site plan review criteria.

5.3 SITE PLAN REVIEW – PROCEDURE

A. The Director of Planning and Building Safety must review an application to ensure there is consistency with the Specific Plan within 30 days after it is submitted.

B. CEQA Review, if required, must be conducted within the time frames set forth in the Public Resources Code and the California Code of Regulations.

C. The Director of Planning and Building Safety must review site plan applications within 30 days after the completion of the public review period of the environmental documentation, if any, or within 30 days from the date the application is deemed complete if no further environmental review is required. The Director of Planning and Building Safety must render his decision in writing, approving, approving with conditions, or denying the site plan review application, stating the reasons for such action.

D. The decision of the Director of Planning and Building Safety is final unless appealed to the Planning Commission in accordance with ESMC Chapter 15-25. Such decision of the Planning Commission may be appealed to the City Council in accordance with this same Chapter. Decisions of the Director of Planning and Building Safety and/or Planning Commission are considered final unless timely appealed.

E. The site plan is valid for two years from the date of approval. If construction has not commenced within such time, but the applicant has diligently pursued the project plan review process, the Director of Planning and Building Safety may extend the site plan approval for up to one additional year.
F. After the site plan is approved, the Director of Planning and Building Safety may approve minor changes in the site plan or the conditions thereof if the Director finds that there are practical reasons for such changes, that such changes do not substantially vary from the previously approved site plan and applicable ESMC regulations and that such changes do not involve deviations from the design's intent.

5.4 Site Plan Review Criteria

The purpose of the site plan review procedure is to ensure that the development provides a cohesive visual identity and coordinated design character for the Specific Plan area of high quality. The overall coordinated design character must be expressed in the site planning, architecture, landscaping, lighting, and signage. The architectural design is to be compatible in character, massing and materials consistent with the site plan depicted in this Specific Plan. The architectural design must provide a character that complements the surrounding uses.

In approving the site plan review the Director of Planning and Building Safety, or the Planning Commission or City Council on appeal, must consider the following factors:

A. The dimensions, shape and orientation of the parcel;

B. The placement of buildings and structures on the parcel;

C. The height, setbacks, and bulk of buildings;

D. The building materials and design;

E. The distance between buildings or structures;

F. The location, number and layout of off-street parking and loading spaces;

G. The internal traffic patterns and pedestrian safety features;

H. The location, amount and type of landscaping materials and the sustainability of the landscaping material with the El Segundo climate in compliance with the applicable climate zone;

I. The placement, height and direction of illumination of light standards;

J. The location, number, size and height of signs;

K. The location, height and materials of walls, fences or hedges; and

L. The location and method of screening refuse and storage areas, roof equipment, pipes, vents, utility equipment and all equipment not contained in the main buildings of the development.
5.5 Approval Criteria

The Director of Planning and Building Safety, or Planning Commission or City Council on appeal, will approve the site plan if it finds that the site plan, architecture and landscape design, with conditions if necessary, are consistent with the Project Description and development standards set forth herein.

5.6 Exempt Activities

The following is a list of activities which are exempt from the site plan review process. This list is not all inclusive; the Director of Planning and Building Safety may exempt other special activities not covered by this example listing:

A. All interior changes, alterations, construction
B. Demolition
C. Exterior mechanical (heating, air conditioning, water heater)
D. Minor exterior repairs costing less than $50,000.00
E. Reglazing, new mullions
F. Relandscaping of existing site
G. Repainting
H. Reroofing with similar style roofing materials

5.7 The Approved Site Plan

As set forth above, the approval of this Specific Plan also includes approval of the Approved Site Plan, Exhibits 2 - 8 incorporated into this Specific Plan. The Approved Site Plan proposes a total of 68,975 net square feet (75,182 gross square feet) of development for an overall FAR of 0.34 over the net 4.65 acres.

Under the Approved Site Plan, construction of Phase I, the USDA facility, will take approximately twelve months to complete and construction of Phase II, the buildings on the northerly portion of the Project Site, will take approximately 9 months to complete.

Nothing requires the Project Site to be built in accordance with the Approved Site Plan. A new site plan may be approved in accordance with the provisions of Section 5.
A. **Northerly 1.55 Acres (Exhibits 2 - 5)**

The Approved Site Plan provides for the division of this portion of the Project Site into 4 parcels. Development of two buildings of approximately 12,655 gross/11,496 net square feet and 18,005 gross/15,797 net square feet for a total of 30,660 gross/27,293 net square feet will be placed on two separate parcels and a third parcel will be developed with shared parking of 103 spaces for the two buildings. (See Exhibits 2 [entire site] and 4 [northerly portion].) Only one loading area is required. The buildings will be able to be utilized for any of the allowed uses in this Specific Plan.

The fourth parcel will be the .14 acre parcel at 1600 East Grand Avenue for the existing Jim and Jack’s overflow storage on the eastern portion of this parcel. Access to the parcel at 1600 East Grand Avenue will continue to be from Grand Avenue and access to the remainder of the northerly portion will be from a driveway on Kansas Street.
Exhibit 3 – Northerly Portion Site Plan

Exhibit 4 – Northerly Portion Building “A” Color Elevations
Exhibit 5 – Northerly Portion Building “B” Color Elevations
B. Southerly 3.1 Acres (Exhibits 2 and 6 - 8)

The Approved Site Plan provides for the development of this portion of the Project Site as one parcel with the USDA's APHIS facility. The facility will be approximately 45,152 gross/41,682 net square feet and the uses in the facility will be broken down between: office space (37% - 16,920 s.f.); industrial/labs (29% - 12,978 s.f.); and warehouse (26% - 11,784 s.f.). The remaining square footage would be restrooms, electrical/mechanical rooms, and exterior walls (8% - 3,470 s.f.).

Access to this portion of the Project Site will be from a second driveway on Kansas Street and two driveways on Franklin Avenue; the most easterly driveway may be up to 40 feet. There will be two separate parking areas with a total of 97 parking spaces; interconnectivity of the two parking areas on this portion is not required. At such time as USDA no longer occupies the facility, it may be utilized for any of the allowed uses in this Specific Plan.

Exhibit 6 - Southerly Portion Site Plan
Exhibit 7 – Southerly Portion USDA Building Color Elevations
6.0 GENERAL ADMINISTRATION

Unless regulated by this Specific Plan, development will be administered and enforced by the City in accordance with the ESMC. This Specific Plan supersedes any conflicts with ESMC zoning regulations.

A. The Director of Planning and Building Safety may grant administrative use permits in accordance with ESMC Chapter 15-22.

B. The Director of Planning and Building Safety may make other administrative determinations using the same procedures set forth in ESMC Chapter 15-22.

C. The Director of Planning and Building Safety may grant adjustments and administrative adjustments in accordance with ESMC Chapter 15-24.

7.0 AMENDMENT

In accordance with the Government Code §§ 65450-65457, Specific Plans must be prepared, adopted and amended in the same manner as General Plans except that Specific Plans may be adopted by resolution or by ordinance.

This Specific Plan may be amended as necessary in the same manner as it was originally adopted; a change to the Approved Site Plan or submission of a new site plan does not in and of itself trigger the need for an amendment to the Specific Plan. Said amendment or amendments do not require a concurrent General Plan amendment unless the Director of Planning and Building Safety determines that the proposed amendment would substantially affect General Plan goals, policies, objectives or programs.
**APPENDIX A**

**GENERAL PLAN CONSISTENCY**

**ECONOMIC DEVELOPMENT ELEMENT**

**Goal ED1: Economic Base**

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

**Objective ED1-1**

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

**Policy ED1-1.1**

Maintain economic development as one of the City's and the business and residential communities' top priorities.

**Policy ED1-1.2**

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

**Objective ED1-2**

Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

**Policy ED1-2.1**

Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

**Policy ED1-2.2**

Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.
Policy ED1-2.3

Seek to balance the City's economic development program with the City's resources and infrastructure capacity.

The 222 Kansas Street project will enhance the economic community of El Segundo by developing a vacant piece of property. The office/industrial buildings will fill a need that is not currently being satisfied in the City, causing tenants to locate outside of the City's boundaries. The USDA, or other government facility, will be required to make an in lieu payment to the City for loss of taxes which will help the economics of the City. The project will create jobs within the city which will benefit other businesses in the City. Any new infrastructure that is required will be installed as part of the development so there will be no stress on the current infrastructure capacity.

LAND USE ELEMENT

Goal LU1: Maintenance of El Segundo's "Small Town" Atmosphere

Objective LU1-1

Maintain El Segundo's "small town" atmosphere, and provide an attractive place to live and work.
Preserve and maintain the City's low-medium density residential nature, with low building height profile and character, and minimum development standards.

The height of the buildings in this area will not exceed 40 feet, thereby maintaining a low building height profile.

Goal LU4: Provision of a Stable Tax Base for El Segundo

Through Commercial Uses

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 project will allow new commercial uses, but will not impact Downtown as the uses would be non-competing to those located in the Downtown area. The 222 Kansas Street Specific Plan actually reduces competition from existing Smoky Hollow Specific Plan as retail uses and eating establishments are not allowed in the Project area. Further, the development will bring in new employees to support the Downtown.

Policy LU4-1.1

Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

The 222 Kansas Street Specific Plan will include landscaping and maintenance requirements.

Policy LU4-1.2

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

The 222 Kansas Street development will be required to comply with all current Code requirements.

Policy LU4-1.4

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

The 222 Kansas Street development will be required to comply with all current seismic safety standards and regulations as well as comply with all other regulations and any mitigation measures required by the Mitigated Negative Declaration.

Objective LU4-3

Provide for new office and research and development uses.

Policy LU4-3.6
Require landscaping, its maintenance, and permanent upkeep in all new office and mixed-use developments.

*The 222 Kansas Street Specific Plan will have landscaping and maintenance requirements.*

**Goal LU5: Attraction of Clean and Beneficial Industrial Uses**

Retain and attract clean and environmentally safe industrial uses that provide a stable tax base and minimize any negative impact on the City.

**Objective LU5-1**

Attract the kinds of industrial uses which will be economically beneficial to the community as well as enhance the environmental quality of the City.

*The 222 Kansas Street Specific Plan will allow light industrial uses on a vacant piece of property. The Specific Plan requires that the development be built to a minimum of LEED Certified standards.*

**Objective LU5-2**

Encourage the construction of high-quality, well designed industrial developments through adoption of property development standards and provisions of community services and utilities.

**Policy LU5-2.1**

New industrial developments shall provide landscaping in parking areas and around the buildings. This landscaping is to be permanently maintained.

*The 222 Kansas Street Specific Plan will require landscaping which will be maintained.*

**Policy LU5-2.2**

All outdoor storage shall be properly screened by masonry walls and landscaping.

*The 222 Kansas Street Specific Plan will result in the current outdoor overflow parking facility for Jim & Jack’s auto repair to be screened in an attractive manner*
Policy LU5-2.3

New industrial developments shall comply with seismic, noise, air, water, and environmental regulations.

_The 222 Kansas Street development will be required to comply with all current regulations and applicable mitigation measures._

Policy LU5-2.4

New industries should have good accessibility to secondary or major transportation routes.

_The 222 Kansas Street project is located in close proximity to Grand Avenue and Sepulveda Blvd., both of which are designated as recommended Truck Routes in the City’s Circulation Element._

Objective LU5-3

Encourage the rehabilitation of existing substandard blighted industrial areas through the combined efforts of private and public sectors.

Policy LU5-3.1

Revitalize and upgrade industrial areas which contain aesthetic or functional deficiencies in such areas as landscaping, off-street parking, or loading areas.

_The City’s approval of the entitlement requests for the 222 Kansas Street Specific Plan project will lead to development of a currently vacant piece of property and will result in improved aesthetics in the area due to attractively designed buildings and landscaping._

Objective LU5-5

Establish policies and guidelines to guide light industrial development near residential areas.

_The 222 Kansas Street Specific Plan will include development standards._
Objective LU5-6

Encourage a mix of office and light industrial uses in industrial areas.

*The 222 Kansas Street Specific Plan specifically allows the development of office and industrial uses.*

Goal LU7: Provision of Quality Infrastructure

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

Objective LU7-1

Provide the highest and most efficient level of public services and public infrastructure financially possible.

Policy LU7-1.1

Continue the excellent public safety programs, including fire and police protection, currently enjoyed by the City.

*The 222 Kansas Street development will be required to pay police and fire mitigation fees which will fund the public safety programs.*

Policy LU7-1.2

No new development shall be allowed unless adequate public facilities are in place or provided for.

*The 222 Kansas Street development will be required to install any needed public facilities.*

Policy LU7-1.4

Storm drain and flood control facilities shall be maintained throughout the City to protect residents and structures from an anticipated 50-year flood.

*The 222 Kansas Street development includes an on-site retention system.*

Policy LU7-1.5

The adequacy of library services should be monitored annually and
maintained.

_The 222 Kansas Street project will be required to pay a Library Service mitigation fee to help maintain the library._

**Objective LU7-2**

Promote City appearance and cultural heritage programs.

**Policy LU7-2.3**

All new development shall place utilities underground.

_The 222 Kansas Street development shall have utilities placed underground within the Project Site._

**CIRCULATION ELEMENT**

**Goal C1: Provision for a Safe, Convenient, and Cost Effective Circulation System**

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

**Objective C-1**

Provide a roadway system that accommodates the City's existing and project land use and circulation needs.

**Policy C1-1.9**

Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.

_All driveways in the 222 Kansas Street Specific Plan will be designed to allow safe access for emergency vehicles._

**Policy C1-1.14**

Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further require the implementation of appropriate mitigation measures prior to, or in conjunction with, project development. Mitigation measures may include new roadway links on segments that would
connect new development to the existing roadway system, intersection improvements, and other measures. Mitigation measures shall be provided by or paid for by the project developer.

A traffic analysis will be required as part of the environmental review of the 222 Kansas Street Specific Plan project. The applicant will comply with and pay for all required mitigation measures.

Policy C1-1.15

Pursue and protect adequate right-of-way to accommodate future circulation system improvements.

The 222 Kansas Street development will provide for a dedication of street frontage on Grand Avenue (10 feet plus an irrevocable offer of dedication for an additional 9 feet), on Kansas Street (5 feet) and Franklin Avenue (5 feet).

Policy C1-1.16

Encourage the widening of substandard streets and alleys to meet City standards wherever feasible.

The 222 Kansas Street development will provide for a dedication of street frontage on Grand Avenue (10 feet plus an irrevocable offer of dedication for an additional 9 feet), on Kansas Street (5 feet) and Franklin Avenue (5 feet).

Goal C2: Provisions for Alternative Modes of Transportation

Provide a circulation system that incorporates alternatives to the single-occupant vehicle, to create a balance among travel modes based on travel needs, costs, social values, user acceptance, and air quality considerations.

Objective C2-2

Provide a bikeway system throughout the City to support and encourage the use of the bicycle as a safe and convenient travel mode with the City's circulation system.
Policy C2-2.2

Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes changing facilities at or close to the bicyclist's work destination.

Bicycle racks will be provided as part of the 222 Kansas Street development. Other TDM measures may be required depending on the size of the development.

Goal C3: Development of Circulation Policies that are Consistent with other City Policies

Develop a balanced General Plan, coordinating the Circulation Element with all other Elements, ensuring that the City’s decision making and planning activities are consistent among all City departments.

Objective C3-1

Ensure that potential circulation system impacts are considered when the City's decision makers and staff are evaluating land use changes.

Policy C3-1.1

Require all new development to mitigate project-related impacts on the existing and future circulation system such that all Master Plan roadways and intersections are upgraded and maintained at acceptable levels of service through implementation of all applicable Circulation Element policies. Mitigation measures shall be provided by or paid for by the project developer.

A traffic analysis will be completed as part of the environmental review for the project and the developer will construct any needed mitigation measures. Additionally, the developer is dedicating 10 feet along Grand Avenue with an additional 9 feet irrevocable offer of dedication; Grand Avenue is listed as a secondary arterial in the City's Master Plan of Streets.

Objective C3-2

Ensure the consideration of the impacts of land use decisions on the City's parking situation.

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

*The 222 Kansas Street Specific Plan will require that sufficient on-site parking be provided.*

**CONSERVATION ELEMENT**

Goal CN2: Water Supply

Assist in the maintenance of a safe and sufficient water supply and distribution system that provides for all the water needs within the community.

**Policy CN2-5**

Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.

*The development in the 222 Kansas Street Specific Plan area will comply with all requirements of Title 24 of the Building Code which requires water-conserving fixtures.*

**Policy CN2-7**

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

*The development in the 222 Kansas Street Specific Plan area will comply with the water conservation in landscaping requirements set forth in Chapter 10-2 of the ESMC. Additionally, the development will be built to LEED Certified standards.*

**AIR QUALITY ELEMENT**

Goal AQ10: Reduction in Particulate Emissions from Paved and Unpaved Roads, Parking Lots, and Road and Building Construction
Objective AQ10-1

Control particulate emissions by paving roads and parking lots or by adopting alternative methods to control particulates.

Policy AQ10-1.3

It is the policy of the City of El Segundo that all new development projects meet or exceed requirements of the South Coast Air Quality Management District for reducing PM10 standards.

*Development in the 222 Kansas Street Specific Plan will meet all SCAQMD requirements for reducing PM 10 standards.*

NOISE ELEMENT

Goal N1: Provision of a Noise-Safe Environment

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

Objective N1-1

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

Policy N1-1.9

Require review of all new development projects in the City for conformance with California Airport Noise Regulations and California Noise Insulation Standards (CCR Title 24) to ensure interior noise will not exceed acceptable levels.

*Development in the 222 Kansas Street project will meet all Title 24 requirements and will not exceed acceptable levels of interior noise.*

Objective N1-2

It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo's Noise Ordinance standards.
Policy N1-2.1

Require all new projects to meet the City's Noise Ordinance Standards as a condition of building permit approval.

Program N1-2.1A

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

Program N1-2.1C

The City shall strictly enforce the El Segundo Municipal Code's time-dependent noise standards for stationary sources. Two of the major sources which shall be closely monitored are industrial facilities and construction activities.

Development in the 222 Kansas Street project will be required to meet the City's noise ordinance standards and construction will only be allowed during the hours set forth in the ESMC.

PUBLIC SAFETY ELEMENT

Goal PS1: Geology and Soils

Protect the public health and safety and minimize the social and economic impacts associated with geologic hazards.

Objective PS1-1

It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.

Policy PS1-1.1

Continue to review proposals for new development and for the expansion of existing development in areas of potential geological hazards.
Policy PS1-1.2

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

The environmental review process will cover the topic of geologic hazards and impose any mitigation that may be deemed necessary. Plans will be approved by qualified engineers.

Goal PS2: Faulting and Seismicity/Structural Hazards

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

Objective PS2-1

It is the objective of the City of El Segundo that the City promote effective response to seismic disasters and maintenance of structurally safe facilities.

Policy PS2-1.1

Continue to cooperate with and support federal, state, and county agencies in the development and enforcement of regional and local health and safety laws and environmental controls, e.g., implementation of SB 547 (Alquist).

Program PS2-1.1A

The City shall continue to enforce the Uniform Building Code.

The development of the 222 Kansas Street Specific Plan project will comply with all requirements of the most recent edition of the Uniform Building Code, as incorporated into the California Building Code.

Goal PS3: Petroleum Resources/Hazardous Materials and Wastes

Reduce threats to public health and safety from hazardous materials, especially threats induced by earthquakes and
accidental leaks and spills.

**Objective PS3-1**

It is the objective of the City of El Segundo that the City insure safe and prudent use of hazardous materials, and reduce the quantity of hazardous materials handled within the City.

**Policy PS3-1.1**

Review proposed development projects involving the use, storage, and disposal of hazardous materials with the intent of minimizing the probability and magnitude of a hazardous event.

*An analysis of hazards and hazardous materials will be part of the environmental review process and the developer will comply with all mitigation measures, including those pertaining to the operation of the temporarily capped oil well.*

**Goal PS6: Urban Fire Hazard**

A fire safe community.

**Objective PS6-1**

It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from wildland and urban fires.

**Policy PS6-1.1**

Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

*The 222 Kansas Street Specific Plan development will be built in accordance with the most recent fire code standards.*
CITY COUNCIL ORDINANCE NO. 1470 EXHIBIT E

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
CITY CLERK
CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code § 6103

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF EL SEGUNDO,
AND SMPO LAB, LLC

(222 KANSAS STREET SITE)

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Definitions</td>
<td>1</td>
</tr>
<tr>
<td>2. Recitals</td>
<td>3</td>
</tr>
<tr>
<td>3. Binding Effect</td>
<td>4</td>
</tr>
<tr>
<td>3.1 Constructive Notice and Acceptance</td>
<td>4</td>
</tr>
<tr>
<td>3.2 Rights to Transfer</td>
<td>4</td>
</tr>
<tr>
<td>3.3 Liabilities Upon Transfer</td>
<td>4</td>
</tr>
<tr>
<td>4. Development of the Property</td>
<td>4</td>
</tr>
<tr>
<td>4.1 Entitlement to Develop</td>
<td>5</td>
</tr>
<tr>
<td>4.2 Permitted Uses, Density, Height and Dedication of Land for Public Purposes</td>
<td>5</td>
</tr>
<tr>
<td>4.3 Development Standards</td>
<td>5</td>
</tr>
<tr>
<td>4.4 Building Regulations</td>
<td>5</td>
</tr>
<tr>
<td>4.5 Subsequent Rules</td>
<td>5</td>
</tr>
<tr>
<td>4.7 Plan Review</td>
<td>6</td>
</tr>
<tr>
<td>4.8 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications</td>
<td>7</td>
</tr>
<tr>
<td>4.9 Use of Easements</td>
<td>7</td>
</tr>
<tr>
<td>4.10 Timing of Development</td>
<td>7</td>
</tr>
<tr>
<td>4.11 Moratorium</td>
<td>7</td>
</tr>
<tr>
<td>4.12 Infrastructure</td>
<td>8</td>
</tr>
<tr>
<td>4.13 Term</td>
<td>8</td>
</tr>
<tr>
<td>4.14 Satisfaction of Mitigation Measures and Conditions</td>
<td>9</td>
</tr>
<tr>
<td>4.15 In Lieu Credits</td>
<td>9</td>
</tr>
<tr>
<td>4.16 Performance of Director Duties</td>
<td>9</td>
</tr>
<tr>
<td>5. Developer Agreements</td>
<td>9</td>
</tr>
</tbody>
</table>
11.1 Mortgage Not Rendered Invalid .................................................................14
11.2 Request for Notice to Mortgagee .................................................................15
11.3 Mortgagee's Time to Cure ........................................................................15
11.4 Cure Rights .................................................................................................15
11.5 Bankruptcy .................................................................................................15
11.6 Disaffirmation .............................................................................................15

12. Estoppel Certificate .......................................................................................15

13. Administration of Agreement ......................................................................16
    13.1 Appeal of Determinations .....................................................................16
    13.2 Operating Memoranda .........................................................................16
    13.3 Certificate of Performance ..................................................................16

14. Amendment or Termination by Mutual Consent .........................................17

15. Indemnification/Defense .............................................................................17
    15.1 Indemnification .....................................................................................17
    15.2 Defense of Agreement .........................................................................17

16. Time of Essence ............................................................................................17

18. Notices ..........................................................................................................17

19. Entire Agreement ..........................................................................................18

20. Waiver ..........................................................................................................18

21. Severability ..................................................................................................18

22. Relationship of the Parties .........................................................................18

23. No Third Party Beneficiaries ......................................................................18

24. Recordation of Agreement and Amendments .........................................19

25. Cooperation Between City and Developer ..............................................19

26. Rules of Construction .................................................................................19
27. Joint Preparation .................................................................................................................. 19
28. Governing Law and Venue .................................................................................................... 19
29. Counterparts ........................................................................................................................ 19
30. Weekend/Holiday Dates ....................................................................................................... 19
31. Not a Public Dedication ....................................................................................................... 19
32. Releases. ................................................................................................................................ 20
DEVELOPMENT AGREEMENT

This Development Agreement is made and entered into by and between the CITY OF EL SEGUNDO ("City"), a municipal corporation, and SMPO Lab, LLC ("SMPO"), as of this ___ day of __________, 2012. City and SMPO are referred to hereinafter individually as “Party” and collectively as “Parties.” In consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

1. Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of words and phrases used in this Agreement:

   “Agreement” means this Development Agreement between the City and the Developer.

   “Applicable Rules” means:

   • The El Segundo General Plan, as it existed on the Effective Date, as modified by the Project Approvals;
   • The El Segundo Municipal Code, as it existed on the Effective Date, as modified by the Project Approvals;
   • The 222 Kansas Street Specific Plan as adopted by the City Council;
   • Such other laws, ordinances, rules, regulations, and official policies governing permitted uses of the Property, density, design, improvement, development fees, and construction standards and specifications applicable to the development of the Property in force at the time of the Effective Date, which are not in conflict with this Agreement.

   “Approved Plans” means a plan for any aspect of the Project, including, without limitation, the Site Plan, signage plans, and landscaping and irrigation plans, which have been approved by City in accordance with the Development Standards, Applicable Rules and Project Approvals.


   “City” means the City of El Segundo and every successor in interest thereto.

   “City Council” means the City Council of the City of El Segundo.

   “Developer” means SMPO and every successor in interest thereto.

   “Development Standards” means the design and development standards that are applicable to the Project.

   “Director” means the Director of Planning and Building Safety of the City of El Segundo.
“Discretionary Actions; Discretionary Approvals” means 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. The Project Approvals are included with these terms.

“Effective Date” means the date on which the Enabling Ordinance becomes effective in accordance with Government Code § 36937.

“Enabling Ordinance” means Ordinance No. 1470, approving this Development Agreement.

“Future Approvals” means such other discretionary and ministerial entitlements, including permits, which are required to develop the Project in addition to the Project Approvals, and which are applied for by Developer and approved by City.

“Minor Modification” means a minor change to the Project or Project Approvals that is consistent with the Development Standards, Applicable Rules and Project Approvals.

“Major Modification” means a major change to the Project or Project Approvals as defined in Section 4.6.3 of this Agreement.

“Project” means the development of the Property in accordance with the uses set forth in the 222 Kansas Street Specific Plan and the other Project Approvals.

“Project Approvals” means:

- Final Mitigated Negative Declaration and Addendum to Mitigated Negative Declaration (EA-959), as approved by Resolution No. 4779;
- Mitigation Monitoring Program for Final Mitigated Negative Declaration and Addendum to Mitigated Negative Declaration, as approved by Resolution No. 4779;
- General Plan Amendment GPA 12-01, as approved by Resolution No.4779;
- 222 Kansas Street Specific Plan SPA 12-01, as approved by Ordinance No. 1470;
- Zone Change ZC 12-01, as approved by Ordinance No. 1470;
- Zone Text Amendment ZTA 12-01, as approved by Ordinance No. 1470;
- Vesting Tentative Map SUB 12-02, as approved by Resolution No.4779;
- Site Plan Review SPR 12-01, for the site plan contained in the 222 Kansas Street Specific Plan; and
- Development Agreement DA 12-01, as approved by Ordinance No. 1470.

“Person” means a natural person or any entity.
“Property” means that 4.83 acre property located at 222 Kansas Street in El Segundo, California more particularly described in attached Exhibit “A,” which is incorporated by reference.

“Subsequent Rules” means any changes to the Applicable Rules, including, without limitation, any change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City Council, the Planning Commission or any other board, agency, commission or department of the City, or any officer or employee thereof, or by the electorate, which would, absent this Agreement, otherwise be applicable to the Property.

“Transferee” means a Person which assumes the rights and obligations under this Agreement with respect to all or a portion of the Property.

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

2.1 Pursuant to Government Code §§ 65865, et seq., City is authorized to enter into a binding contractual agreement with any person having a legal or equitable interest in real property for the development of such property.

2.2 Developer is the owner of the Property.

2.3 Developer desires to develop the Property in accordance with the 222 Kansas Street Specific Plan.

2.4 By this Agreement, City desires to obtain the binding agreement of Developer to develop the Property in accordance with the Project Approvals and Applicable Rules. In consideration thereof, City agrees to limit the future exercise of certain of its governmental and proprietary powers to the extent specified in this Agreement.

2.5 By this Agreement, Developer desires to obtain the binding agreement of City to permit the development of the Property in accordance with the Project Approvals and Applicable Rules. In consideration thereof, Developer agrees to waive its rights to challenge legally the restrictions and obligations set forth in this Agreement.

2.6 City and Developer acknowledge and agree that the consideration that is to be exchanged pursuant to this Agreement is fair, just and reasonable.

2.7 This Agreement is intended to provide flexible entitlements, within the parameters set forth herein and subject to the terms and conditions hereof, to meet the changing market demands that are likely to occur throughout the life of this Agreement.

2.8 The Project uses are consistent with the City’s General Plan, as amended through General Plan Amendment No. 12-01.

2.9 Development of the Project will further the comprehensive planning objectives contained within the General Plan, and will result in public benefits, including, among others, the
development of the Property with viable commercial and industrial uses as specified in Section 5.3 below.

2.10 All of the Property is subject to this Agreement.

3. **Binding Effect.** The burdens of this Agreement are binding upon, and the benefits of the Agreement inure to, each Party and each successive successor in interest thereto and constitute covenants that run with the Property.

3.1 **Constructive Notice and Acceptance.** Every Person who acquires any right, title or interest in or to any portion of the Property in which Developer has a legal interest is conclusively deemed to have consented and agreed to be bound by this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest.

3.2 **Rights to Transfer.** Developer may assign or transfer its rights and obligations under this Agreement with respect to the Property, or any portion thereof, to any Transferee at any time during the term of this Agreement without approval of City, including through provision of a long-term ground lease. For purposes of this Agreement, the Transferee is considered the “owner” of that portion of the Property which is covered by such transfer.

3.3 **Liabilities Upon Transfer.** Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Property, Developer will be released from its obligations under this Agreement with respect to the Property, or portion thereof, so transferred arising subsequent to the effective date of such transfer, if: (i) Developer has provided to City prior or subsequent written notice of such transfer; and (ii) Transferee has agreed in writing to be subject to all of the provisions hereof applicable to the portion of the Property so transferred by executing an Assignment and Assumption Agreement in the form of attached Exhibit “B.” Upon any transfer of any portion of the Property and the express assumption of Developer’s obligations under this Agreement by such Transferee, City agrees to look solely to Transferee for compliance by such Transferee with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such Transferee. Any such Transferee is entitled to the benefits of this Agreement as “Developer” and is subject to the obligations of this Agreement applicable to the parcel(s) transferred. A default by any Transferee only affects that portion of the Property owned by such Transferee and does not cancel or diminish in any way Developer’s rights with respect to any portion of the Property not owned by such Transferee. Transferees are responsible for satisfying the good faith compliance requirements set forth in Section 8 below relating to the portion of the Property owned by a Transferee, and any amendment to this Agreement between the City and a Transferee only affects the portion of the Property owned by such Transferee.

3.4 **Reassumption of Rights.** If Transferee defaults with respect to any provision of this Agreement, Developer may reassume Transferee’s obligations upon written notification to City.

4. **Development of the Property.** The following provisions govern the development and use of the Property.
4.1 **Entitlement to Develop.** Developer is granted the vested right to develop the Project on the Property subject to the Applicable Rules, the Project Approvals and any Future Approvals.

4.2 **Permitted Uses, Density, Height and Dedication of Land for Public Purposes.** The permitted and conditionally permitted uses of the Property as well as the density or intensity of use, the maximum height and size of buildings and provisions for reservation or dedication of land for public purposes are set forth in the Project Approvals and Applicable Rules.

4.3 **Development Standards.** The Development Standards applicable to the Property are set forth in the Project Approvals and Applicable Rules.

4.4 **Building Regulations.** Nothing in this Agreement precludes City from applying changes occurring from time to time in the Building Regulations, provided that such changes (a) are found by City to be necessary to the health or safety of the citizens of the City, (b) are generally applicable to all similar types of property in the City, and (c) do not prevent or unreasonably delay development of the Project in accordance with this Agreement.

4.5 **Subsequent Rules.** Subsequent Rules cannot be applied by City to any part of the Property unless Developer gives City written notice of its election to have such Subsequent Rule applied to the Property, in which case such subsequent change is deemed to be an Applicable Rule.

4.6 **Future Approvals.**

4.6.1 **Minor Modifications to Project.** Developer may make minor changes to the Project and Project Approvals ("Minor Modifications") without amending this Agreement upon the administrative approval of the Director or designee, provided that such modifications are consistent with the Development Standards, Applicable Rules and Project Approvals. The City cannot unreasonably withhold or delay approval of any Minor Modification. The City has the right to impose reasonable conditions in connection with Minor Modifications, provided, however, such conditions cannot: (i) be inconsistent with the Applicable Rules, the Project Approvals or with the development of the Project as contemplated by this Agreement; (ii) directly or indirectly, unreasonably hinder, delay, impede, obstruct, interfere with, or place unreasonably burdensome or restrictive measures or requirements upon development of the Project or the Property or any portion thereof; or (iii) impose additional dedications, infrastructure or public improvement obligations, fees, costs or exactions exceeding those identified in the Applicable Rules, the Project Approvals, or this Agreement.

4.6.2 **Modification of Project Approvals.** The Parties contemplate that Developer may, from time to time, pursuant to Section 4.6.1 seek Minor Modifications to the Project or one or more of the Project Approvals. Any such Minor Modifications are contemplated by the Parties as being within the scope of this Agreement as long as they are authorized pursuant to this Section 4.6.2 and must, upon approval by City, continue to constitute the Project Approvals as referenced herein. The Parties agree that any such amendments do not constitute an amendment to this Agreement nor require an amendment to this Agreement.
4.6.3 Modifications Requiring Amendment to this Agreement. Any proposed modification to the Project which is not authorized by Section 4.6.2 and results in any of the following does not constitute a Minor Modification but constitutes a Major Modification and requires an amendment to this Agreement pursuant to Section 14 below:

(a) Any decrease in the required building setbacks as set forth in the 222 Kansas Street Specific Plan;

(b) Any increase in the FAR of the entire Property as set forth in the 222 Kansas Street Specific Plan;

(c) Any increase in height of buildings or structures on the Property above the height specified in the 222 Kansas Street Specific Plan;

(d) Any decrease in the minimum required lot area as set forth in the 222 Kansas Street Specific Plan;

(e) Any change in use to a use which is not permitted under the 222 Kansas Street Specific Plan;

(f) Any deviation from the uses and development standards or limitations set forth in Sections 4.1 through Section 4.3 of this Agreement, except to the extent these Sections specifically provide for the Council or the Director to approve of such changes;

(g) Any material modification to Developer’s obligation to build to LEED certification standards and provide certification for non-governmental buildings for the Project or such equivalent standard as approved by the Director; or

(h) Any material modification that requires modification to the MND, other than an Addendum.

(j) Other than the Major Modifications listed above, all other modifications to the Project are considered "Minor Modifications."

4.6.4 Site Plan Review Approval. The Site Plan Review which must be submitted pursuant to the Specific Plan is not considered a Minor Modification to the Project or modification to the Project Approvals, provided it substantially conforms to the development standards of the 222 Kansas Street Specific Plan, and must be processed in accordance with the provisions set forth in the Specific Plan.

4.7 Plan Review. The Director will review site plans as well as plans for each building, signage, trash enclosures, screening and landscaping. After such review, the Director may issue a building permit, provided, however, that, notwithstanding anything to the contrary contained in the Applicable Rules, the sole purpose of such review is to verify consistency with the Development Standards, Applicable Rules and Project Approvals. The Director must approve all features which are consistent with the Development Standards, Applicable Rules, Project Approvals, and Future Approvals and does not have authority to disapprove or conditionally
approve any features or matters which are consistent with or otherwise which have been specifically approved by this Agreement.

4.8 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications. All fees, exactions, mitigation measures, conditions, reservations and dedications of land for public purposes that are applicable to the Project or the Property are set forth in the Project Approvals, the Applicable Rules and this Agreement. Except as otherwise provided in this Agreement, and specifically excluding fees set by entities not controlled by City that are collected by City, City can only charge and impose those fees and exactions, including, without limitation, dedications and any other fee or tax (including excise, construction or any other tax) relating to development or the privilege of developing, which are in effect on a City-wide basis as of the Effective Date. This Section cannot be construed to limit the authority of City to charge normal and customary application, processing, and permit fees for land use approvals, building permits and other similar permits, for Future Approvals, which fees are designed to reimburse City’s actual expenses attributable to such application, processing and permitting and are in force and effect on a City-wide basis at such time as applications for such approvals are filed with City.

4.9 Use of Easements. Notwithstanding the provisions of the Applicable Rules, easements dedicated for vehicular and pedestrian use are permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable, environmental remediation and other utilities and facilities so long as they do not unreasonably interfere with pedestrian and/or vehicular use.

4.10 Timing of Development. In Pardee Construction Co. v. City of Camarillo (Pardee), 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 later-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 has the right, without obligation, 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 Parties’ 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, applies to the Property. However, nothing in this Section may 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.

4.11 Moratorium. No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Property, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water
and sewer) approved, issued or granted within City, or portions of City, applies to the Property to the extent such moratorium or other limitation is in conflict with this Agreement. However, the provisions of this Section do not affect City’s compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

4.12 Infrastructure.

4.12.1 Infrastructure Capacity. Subject to Developer’s installation of infrastructure in accordance with the requirements of the Project Approvals and any Future Approvals, City acknowledges that it will have sufficient capacity in its infrastructure, services and utility systems, including, without limitation, traffic circulation, storm drainage, flood control, electric service, sewer collection, sewer treatment, sanitation service and, except for reasons beyond City’s control, water supply, treatment, distribution and service, to accommodate the Project. To the extent that City renders such services or provides such utilities, City agrees that it will serve the Project and that there is no restriction on hookups or service for the Project except for reasons beyond City’s control.

4.12.2 Infrastructure Phasing Flexibility. Notwithstanding the provisions of any phasing requirements in the Project Approvals or any Future Approvals, Developer and City recognize that economic and market conditions may necessitate changing the order in which the infrastructure is constructed. Therefore, City and Developer agree that should it become necessary or desirable to develop any portion of the Project’s infrastructure in an order that differs from the order set forth in this Agreement, Developer and City will collaborate and City will permit any modification requested by Developer so long as the modification continues to ensure adequate infrastructure is available to serve that portion of the Project being developed and is in compliance with Section 4.14 of this Agreement.

4.12.3 Infrastructure Completion. No building permit, final inspection or Certificate of Occupancy will be unreasonably withheld, conditioned, or delayed by City if all infrastructure required to serve the portion of the Property covered by the building permit, final inspection or Certificate of Occupancy is in place or is suitably guaranteed to be completed (by covenant, bond, letter of credit or otherwise) to the reasonable satisfaction of the City before completion of construction and all of the other relevant provisions of the Project Approvals and any Future Approvals are satisfied.

4.12.4 Prevailing Wages. In the event any infrastructure improvements are paid for in whole or in part out of public funds, as contemplated by Labor Code § 1720, Developer agrees to pay prevailing wages for the construction of such improvements to the extent required by Applicable Law.

4.13 Term. The term of this Agreement is ten (10) years from the Effective Date. However, Developer or City is entitled to, by written notice to the other Party before the Agreement’s expiration, one (1) five (5)-year extension, provided that the requesting Party is not in material default of this Agreement at such time. Before the expiration of such five (5)-year extension, the Parties may mutually agree to further extensions. In the event of litigation challenging this Agreement, the Term is automatically suspended for the duration of such litigation and resumes upon final disposition of such challenge and any appeal thereof upholding
the validity of this Agreement. In the event that a referendum petition concerning this Agreement is duly filed in such a manner that the ordinance approving this Agreement is suspended, then the Term is deemed to commence upon City Council certification of the results of the referendum election approving this Agreement.

4.14 Satisfaction of Mitigation Measures and Conditions. In the event that any of the mitigation measures or conditions required of Developer are implemented by others, Developer is conclusively deemed to have satisfied such mitigation measures or conditions, consistent with CEQA. If any such mitigation measures or conditions are rejected by a governmental agency with jurisdiction, Developer may implement reasonably equivalent substitute mitigation, consistent with CEQA, to the City’s satisfaction, in lieu of the rejected mitigation measures or conditions. Such substitution is deemed to be a Minor Modification pursuant to Section 4.6 above.

4.15 In Lieu Credits. Developer is granted in lieu credits for any off-site improvements relating to street improvements or traffic measures which Developer may be required to construct as part of this Project.

4.16 Performance of Director Duties. If City determines at any time during the term of this Agreement that the duties to be performed by the Director under this Agreement will be performed by one or more staff members other than the Director, City will endeavor to notify Developer of such change. The City must ensure that a person or persons are designated at all times to carry out the duties of the Planning and Building Safety Director set forth in this Agreement.

5. Developer Agreements

5.1 General. Developer must comply with: (i) this Agreement; (ii) the Project Approvals including, without limitation, all mitigation measures required by the determination made pursuant to CEQA; and (iii) all Future Approvals for which it is the applicant or a successor in interest to the applicant.

5.2 Development Fees. Subject to the provisions of Section 4.8 above, Developer must pay the development fee amounts identified in attached Exhibit “C,” which is incorporated by reference.

5.3 Processing Fees. Subject to the provisions of Section 4.8 above, on the Effective Date of this Agreement, Developer must pay all reasonable and outstanding City processing, legal and environmental processing costs related to the Project and the preparation of this Agreement, if any.

5.4 Maintenance Obligations. Developer must maintain all portions of the Property in its possession or control, and any improvements thereon, in a clean, neat and orderly manner. Developer’s maintenance obligations survive any termination or expiration of this Agreement.

5.5 Term of Map(s) and Other Project Approvals. Pursuant to Government Code §§ 66452.6(a) and 65863.9, the term of any subdivision or parcel map that has been or in the future may be processed on all or any portion of the Property and the term of each of the Project
Approvals will be extended for a period of time through the scheduled termination date of this Agreement as set forth in Section 4.13 above.

5.6 **Sales and Use Tax.**

5.6.1 In the event the contract price for any work on the Project is valued at five million dollars ($5,000,000) or more, Developer agrees to report, on a State Board of Equalization Tax Return, any purchases of tangible personal property made in connection with the finishing of and/or installation of materials, or fixtures for the Project, when such purchases were made without sales or use tax due. Developer must indicate the City as a registered job site location on the State Board of Equalization Tax Return. In such event, Developer must also obtain a permit or a sub-permit from the State Board of Equalization indicating the City as the registered job site location, in accordance with State Board of Equalization Operations Memorandum No. 1023.

5.6.2 Developer further agrees that if Developer retains contractors or subcontractors to perform a portion of work in the Project, and said contracts or subcontracts are valued at five million dollars ($5,000,000) or more, said contracts or subcontracts must contain the provisions set forth in Section 5.6.1 above.

5.6.3 The Director of Finance is authorized to relieve Developer, and Developer’s contractors and subcontractors, from the requirements set forth in this Section 5.6 upon proof to the reasonable satisfaction of the Director of Finance that Developer and/or its contractors or subcontractors have made good faith efforts to obtain said permit or sub-permits, but were denied the same by the State Board of Equalization.

5.7 **In Lieu Payment for USDA Facility**

5.7.1 Within 10 days of the Effective Date, SMPO must deposit an initial $225,000 with the City in lieu of the taxes. SMPO must deposit an additional $225,000 with the City in lieu of the taxes before the City issues a Certificate of Occupancy for any building.

5.7.2 City must reimburse $25,000 of the deposit to SMPO within 30 days of the completion of the overflow parking and storage for the lot at 1600 East Grand Avenue subject to review and approval of the landscaping and screening plan by the Director of Planning and Building Safety consistent with the materials used at the adjacent MEPS site at 1776 East Grand Avenue as approved by City Council Resolution No. 4559 and Ordinance No. 1419 for Environmental Assessment No. EA 769, Zone Change ZC 07-01, Specific Plan Amendment No. SPA 08-02, and Smoky Hollow Specific Plan Review No. SHSPR 07-04.

5.7.3 City must reimburse $25,000 of the deposit to SMPO if it issues a building permit for the northerly 1.41 acres in accordance with the Specific Plan and Site Plan Review approval within 24 months of the effective date of the adopted Specific Plan. City must reimburse SMPO within 30 days after issuing a building permit.

5.7.4 If for some reason the USDA facility is not developed or does not become operational and a non-exempt use utilizes the southerly portion of the Property, the entire deposit
of $450,000 must be returned to SMPO within 30 days of SMPO informing the City by written notification of such occurrence.

5.8 **LEED Certification.** Developer’s Project must be, at a minimum, built to LEED Certified standards in compliance with the U.S. Green Building Council standards in effect as of the Effective Date, or such equivalent standard as determined by the Director. Actual LEED certification is not required, however, the applicant must demonstrate that the project is built to a minimum of LEED certified standard or such other equivalent standard using the GBCI scorecard prepared by a qualified professional with a LEED AP credential. The City can require peer review of the LEED report and GBCI scorecard by a qualified professional with a LEED AP credential hired by the City at the applicant’s expense to advise the Director of Planning and Building Safety in his or her determination. Additionally, the City can require inspections for grading, site improvements, and buildings for the project by a qualified professional with a LEED AP credential to verify that the project has been constructed in compliance with the LEED report and GBCI scorecard to advise the Director of Planning and Building Safety in his or her determination.

6. **City Agreements**

6.1 **Expedited Processing** The City must process in an expedited manner all plan checking, excavation, grading, building, encroachment and street improvement permits, Certificates of Occupancy, utility connection authorizations, and other ministerial permits or approvals necessary, convenient or appropriate for the grading, excavation, construction, development, improvement, use and occupancy of the Project in accordance with City’s accelerated plan check process under the Applicable Rules. Without limiting the foregoing, if requested by Developer, City agrees to utilize private planners and plan checkers (upon Developer’s request and at Developer’s cost) and any other available means to expedite the processing of Project applications, including concurrent processing of such applications by various City departments.

6.2 **Processing Cooperation and Assistance.** To the extent permitted by law, City must reasonably cooperate with Developer in securing any and all entitlements, authorizations, permits or approvals which may be required by any other governmental or quasi-governmental entity in connection with the development of the Project or the Property. Without limiting the foregoing, City must reasonably cooperate with the Developer in any dealings with federal, state and other local governmental and quasi-governmental entities concerning issues affecting the Property. City must keep Developer fully informed with respect to its communications with such agencies which could impact the development of the Property.

6.3 **Processing During Third Party Litigation.** The filing of any third party lawsuit(s) against City or Developer relating to this Agreement, the Project Approvals, any Future Approvals or to other development issues affecting any portion of the Property or the Project will not hinder, delay or stop the development, processing or construction of the Project, approval of applications for any Future Approvals, or issuance of ministerial permits or approvals, unless the third party obtains a court order preventing the activity. City does not stipulate to or cooperate in the issuance of any such order.
7. **Modification/Suspension.** Pursuant to Government Code § 65869.5, in the event that any state or federal law or regulation, enacted after the Effective Date, precludes compliance with any provision of this Agreement, such provision will be deemed modified or suspended to the extent practicable to comply with such state or federal law or regulation, as reasonably determined necessary by City. Upon repeal of said law or regulation or the occurrence of any other event removing the effect thereof upon the Agreement, the provisions hereof will be restored to their full original effect.

8. **Demonstration of Good Faith Compliance.**

8.1 **Review of Compliance.** In accordance with Government Code § 65865.1, this Section 8 and the Applicable Rules, once each year, on or before each anniversary of the Effective Date ("Periodic Review"), the Director will review the extent of Developer’s good faith substantial compliance with the terms and provisions of this Agreement as well as the performance by the City of its obligations under this Agreement.

8.2 **Good Faith Compliance.** During each Periodic Review, Developer must demonstrate that, during the preceding twelve (12) month period, it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase “good faith compliance” means that Developer has demonstrated that it acted in a commercially reasonable manner (taking into account the circumstances which then exist) and in good faith in and has substantially complied with Developer’s material obligations under this Agreement.

8.3 **Information to be Provided to Developer.** At least fourteen (14) days before the annual Effective Date the City must deliver to Developer a copy of all staff reports prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public and, to the extent practical, all related exhibits concerning such Periodic Review.

8.4 **Developer’s Report.** No later than the annual Effective Date, Developer must submit a written status report to the Director addressing the good faith compliance issue and any issues raised by the Information provided to Developer.

8.5 **Notice Of Non-Compliance; Cure Rights.** If, after reviewing the Developer’s Report, the Director reasonably concludes on the basis of substantial evidence that as to any parcel or parcels comprising the Property Developer has not demonstrated that it is in good faith compliance with this Agreement, the Director may issue and deliver to Developer a written Notice of Violation as set forth in Section 10 below.

8.6 **Public Notice of Finding.** Any appeal of the Director’s determination (including any appeal by Developer) must be filed within twenty (20) days following such decision. Filing such an appeal tolls the cure period specified in the Notice of Violation. Notwithstanding section 13.1, an appeal regarding the Notice of Violation must be heard directly by the City Council at a duly-noticed public hearing and the City Council must issue a final decision. Not in limitation of the forgoing, Developer retains the right to challenge City’s issuance of any final decision pursuant to Code of Civil Procedure § 1094.5 without complying with the procedures set forth in Section 10.4 below.
8.7 Failure of Periodic Review. The City's failure to review, at least annually, compliance by Developer with the terms and conditions of this Agreement does not constitute nor can it be asserted by any Party as a breach by any other Party of this Agreement. If the City fails to provide a Review Letter within sixty (60) days of the annual Effective Date, Developer will be deemed to be in good faith compliance with this Agreement.

9. Excusable Delays. Performance by any Party of its obligations in this Agreement is excused during any period of "Excusable Delay," as defined, provided that the Party claiming the delay gives notice of the delay to the other Party as soon as reasonably possible after the same has been ascertained. For purposes hereof, Excusable Delay means delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including without limitation: (a) civil commotion; (b) riot; (c) strike, picketing or other labor dispute; (d) shortage of materials or supplies; (e) damage to work in progress or delays by reason of fire, flood, including flood due to rains, earthquake, windstorm, or other casualty; (f) reasonably unforeseeable delay caused by a reasonably unforeseeable restriction imposed or mandated by a governmental entity other than City; (g) litigation brought by a third party attacking the validity of a Project Approval, a Future Approval or any other action necessary for development of the Property; (h) delays caused by any default by the other Party; or (i) delays due to the presence or remediation of hazardous materials. The Term of this Agreement, including any extensions, will automatically be extended by any period of Excusable Delay.


10.1 Default. Any Party to this Agreement will have breached this Agreement if it materially breaches any of the provisions of this Agreement and the same is not cured within the time set forth in a written notice of violation (the "Notice of Violation") from the non-breaching Party to the breaching Party, which period of time is not 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 default within the time set forth in the notice, then the breaching Party will not be in default if it commences to cure the default within such time limit and diligently effects such cure thereafter. If City determines that a default may have occurred, City may choose to terminate this Agreement as to that portion of the Property owned by the Developer in default in which case it must give written notice to Developer of its intention to terminate and comply with the notice and public hearing requirements of Government Code §§ 65867 and 65868. Notice must also be sent to any other Developer that owns Property subject to this Agreement. At the time and place set for the hearing on termination, Developer will be given an opportunity to be heard. If the City Council finds based upon the evidence that Developer is in breach of this Agreement, the City Council may modify or terminate this Agreement; provided, however, if Developer initiates a resolution of dispute in accordance with the provisions of Section 10.4 below within sixty (60) days following the City Council's determination that Developer is in breach of this Agreement, the City Council's decision to modify or terminate this Agreement is stayed until the issue has been resolved through informal procedures, mediation, or court proceedings.

10.2 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, (including references to the pertinent provisions of this Agreement), the portion of the
Property involved, and the manner in which the breach may be satisfactorily cured. Notice must be given in accordance with Section 18 hereof.

10.3 Remedies for Breach. The Parties agree that the remedies for breach of this Agreement are limited to the remedies expressly set forth in this subsection. The remedies for breach of this Agreement by Developer are limited to injunctive relief and/or specific performance; the remedies by City are limited to injunctive relief and/or specific performance, or termination of this Agreement in accordance with Section 10.1 above.

10.4 Resolution of Disputes.

City and Developer agree to attempt to settle any claim, dispute or controversy arising from this Agreement through consultation and negotiation in good faith and in a spirit of mutual cooperation. If those attempts fail, the dispute may be mediated by a mediator chosen jointly by City and Developer within thirty (30) days after notice by one of the parties demanding non-binding mediation. Neither party may unreasonably withhold consent to the selection of a mediator, and City and Developer will share the cost of the mediation equally. The parties may agree to engage in some other form of non-binding alternate dispute resolution ("ADR") procedure in lieu of mediation. Any dispute that cannot be resolved between the parties through negotiation or mediation within two months after the date of the initial demand for non-binding mediation may then be submitted to a court of competent jurisdiction in the County of Los Angeles, California.

10.5 Attorneys' Fees and Costs.

Each party to this Agreement agrees to waive any entitlement of attorneys' fees and costs incurred with respect to any dispute arising from this Agreement. The parties will each bear their own attorneys' fees and costs in the event of any dispute.

11. Mortgagee Protection. This Agreement does not prevent or limit the Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvements thereon by any mortgage, deed of trust or other security device. City acknowledges that the lender(s) providing such financing ("Mortgagee") may require certain Agreement interpretations and agrees, upon request, from time to time, to meet with Developer and representatives of such lender(s) to provide within a reasonable time period City’s response to such requested interpretations. City will not unreasonably withhold its consent to any such requested interpretation, provided that such interpretation is consistent with the intent and purposes of this Agreement. Any Mortgagee of a mortgage or a beneficiary of a deed of trust or any successor or assign thereof including, without limitation, the purchaser at a judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of foreclosure on the Property is entitled to the following rights and privileges:

11.1 Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement will defeat, render invalid, diminish, or impair the priority of the lien of any mortgage or deed of trust on the Property made in good faith and for value. No Mortgagee has an obligation or duty under this Agreement to perform Developer's obligations, or to guarantee such performance, before taking title to all or a portion of the Property.
11.2 Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, who has submitted a request in writing to the City in the manner specified herein for giving notices, is entitled to receive a copy of any Notice of Violation delivered to the Developer.

11.3 Mortgagee's Time to Cure. City must provide a copy of any Notice of Violation to the Mortgagee within ten (10) days of sending the Notice of Violation to Developer. The Mortgagee has the right, but not the obligation, to cure the default for a period of thirty (30) days after receipt of such Notice of Violation or such longer period of time as may be specified in the Notice. Notwithstanding the foregoing, if such default is a default which can only be remedied by such Mortgagee obtaining possession of a Property, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee has until thirty (30) days after the date of obtaining such possession to cure or, if such default cannot reasonably be cured within such period, to commence to cure such default, provided that such default is cured no later than one (1) year after Mortgagee obtains such possession.

11.4 Cure Rights. Any Mortgagee who takes title to all of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, will succeed to the rights and obligations of Developer under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event is such Mortgagee liable for any defaults or monetary obligations of Developer arising before acquisition of title to the Property by such Mortgagee, except that any such Mortgagee is not entitled to a building permit or occupancy certificate until all delinquent and current fees and other monetary or non-monetary obligations due under this Agreement for the Property, or portion thereof acquired by such Mortgagee, have been satisfied.

11.5 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving Developer, the times specified in Section 11.3 above will be extended for the period of the prohibition, except that any such extension cannot extend the term of this Agreement.

11.6 Disaffirmation. If this Agreement is terminated as to any portion of the Property by reason of (i) any default or (ii) as a result of a bankruptcy proceeding, this Agreement is disaffirmed by a receiver, liquidator, or trustee for Developer or its property, City, if requested by any Mortgagee, will negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Property with the most senior Mortgagee requesting such new agreement. This agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section.

12. Estoppel Certificate. At any time and from time to time, Developer may deliver written notice to City and City may deliver written notice to Developer requesting that such Party certify in writing that, to the knowledge of the certifying 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 twenty-one (21) days following receipt of the notice. The failure of City to deliver such a written notice within such time constitutes a conclusive presumption against City that, except as may be represented by Developer, this Agreement is in full force and effect without modification, and that there are no uncured defaults in the performance of the Developer. The Director is authorized to execute, on behalf of City, any Estoppel Certificate requested by Developer. City acknowledges that a certificate may be relied upon by successors in interest to Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Property in which that Developer has a legal interest.

13. **Administration of Agreement.**

13.1 **Appeal of Determinations.** Any decision by City staff concerning the interpretation or administration of this Agreement or development of the Property in accordance herewith may be appealed by Developer to the Planning Commission, and thereafter, if necessary, to the City Council pursuant to the El Segundo Municipal Code. Developer cannot seek judicial review of any staff decision without first having exhausted its remedies pursuant to this Agreement. Final determinations by the City Council are subject to judicial review subject to the restrictions and limitations of California law.

13.2 **Operating Memoranda.** The provisions of this Agreement require a close degree of cooperation between City and Developer. During the Term of this Agreement, clarifications to this Agreement and the Applicable Rules may be appropriate with respect to the details of performance of City and Developer. If and when, from time to time, during the terms of this Agreement, City and Developer agree that such clarifications are necessary or appropriate, they will effectuate such clarification through Operating Memoranda approved in writing by City and Developer, which, after execution, will be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by City and Developer. Operating Memoranda are not intended to and do not constitute an amendment to this Agreement but are mere ministerial clarifications, therefore public notices and hearings are not required. The City Attorney is authorized, upon consultation with, and approval of, the Developer, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment hereof which requires compliance with the provisions of Section 14 below. The authority to enter into such Operating Memoranda is hereby delegated to the Director, and the Director is hereby authorized to execute any Operating Memoranda hereunder without further City Council action.

13.3 **Certificate of Performance.** Upon the completion of the Project, or the completion of development of any parcel within the Project, or upon completion of performance of this Agreement or its earlier revocation and termination, City must provide Developer, upon Developer’s request, with a statement (“Certificate of Performance”) evidencing said completion or revocation and the release of Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance must be signed by the appropriate agents of Developer and City and be recorded in the official records of Los Angeles County, California. Such Certificate of Performance is not a notice of completion as referred to in Civil Code § 3093.
14. **Amendment or Termination by Mutual Consent.** Except as otherwise set forth herein, this Agreement may only be amended or terminated, in whole or in part, by mutual consent of City and Developer, and upon compliance with the provisions of Government Code §§ 65867 and 65867.5.

15. **Indemnification/Defense.**

15.1 **Indemnification.** Developer agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney’s fees), injuries, or liability, arising from the City’s approval of Project, this Agreement, Developer’s performance of this Agreement, and all procedures with approving this Agreement (collectively, “Discretionary Approvals”), except to the extent such is a result of the City’s sole negligence or intentional misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Discretionary Approvals, Developer agrees to defend the City (at the City’s request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this Section “the City” includes the City of El Segundo’s elected officials, appointed officials, officers, and employees.

15.2 **Defense of Agreement.** If City accepts Developer’s indemnification and defense as provided in Section 15.1 above, City agrees to and must timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement, the Discretionary Approvals, Project Approvals, Development Standards and the Applicable Rules. This Section 15 will survive the termination of this Agreement.

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

17. **Effective Date.** This Agreement becomes operative on the Effective Date.

18. **Notices.** Any notice that a party is required or may desire to give the other must be in writing and may be sent by: i) personal delivery; or ii) by deposit in the United States mail, postage paid, registered or certified mail, return receipt requested; or iii) by overnight delivery using a nationally recognized overnight courier, providing proof of delivery; or iv) by facsimile, evidenced by confirmed receipt, addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given):

If to City: City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: City Manager

With a Copy to: City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: Director of Planning and Building Safety

With a Copy to: Jenkins & Hogin, LLP
Any notice given by mail is deemed to have been given as of the date of delivery (whether accepted or refused) established by United States Post Office, return receipt, or the overnight carrier’s proof of delivery, as the case may be. Notices given in any other manner are effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m., local time of the recipient, of any business day with delivery made after such hours deemed received the following business day. A party’s address may be changed by written notice to the other party effective upon actual receipt of such notice. After a transfer of all or a portion of the Property pursuant to Sections 3.2 and 3.3, District must be copied on all correspondence whether by City or Transferee relating to such transferred property.

19. **Entire Agreement.** This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and supersedes in its entirety all prior agreements or understandings, oral or written. This Agreement cannot be amended, except as expressly provided herein.

20. **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.

21. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement is effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

22. **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 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.

23. **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole benefit of the Parties and their successors in interest. No other person or party has any right of action based upon any provision of this Agreement.
24. **Recordation of Agreement and Amendments.** This Agreement and any amendment thereof must be recorded with the County Recorder of the County of Los Angeles by the City Clerk of City.

25. **Cooperation Between City and Developer.** City and Developer will execute and deliver to the other all such other and further instruments and documents as may be reasonably necessary to carry out the purposes of this Agreement. Upon satisfactory performance by Developer, and subject to the continuing cooperation of the Developer, City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and development of the Project or Property in accordance with the terms of this Agreement.

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 Applicable Rules or the Project Approvals or any Future Approvals, the provisions of this Agreement control.

27. **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.

28. **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.

29. **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.

30. **Weekend/Holiday Dates.** Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date falls upon a Saturday, Sunday or other holiday specified in Government Code § 6700, the date for such determination or action will be extended to the first business day immediately thereafter.

31. **Not a Public Dedication.** Except as otherwise expressly provided herein, nothing herein contained is a gift or dedication of the Property, or of the Project, or any portion thereof, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project as private property. Developer has the right to prevent or prohibit the use of the Property, or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purpose which is not consistent with the development of the Project. Any portion of the Property conveyed to the City by the Developer as provided herein can be held and used by the City only for the purposes contemplated herein or otherwise provided in such conveyance, and the City will not take or permit to be taken (if within the power or authority of the City) any action or activity with respect to such portion of the Property that would deprive the Developer of the
material benefits of this Agreement, or would in any manner interfere with the development of the Project as contemplated by this Agreement.

32. **Releases.** City agrees that upon written request of Developer and payment of all fees and performance of the requirements and conditions required by Developer by this Agreement, the City must execute and deliver to Developer appropriate release(s) of further obligations imposed by this Agreement in form and substance acceptable to the Los Angeles County Recorder’s Office or as otherwise may be necessary to effect the release.

33. **Consent.** Where the consent or approval of City or Developer is required or necessary under this Agreement, the consent or approval will not be unreasonably withheld, delayed or conditioned.

34. **Exhibits.** All exhibits attached hereto are incorporated by this reference.

**IN WITNESS WHEREOF,** Developer and City of El Segundo have executed this Development Agreement on the date first above written.

**CITY:**

CITY OF EL SEGUNDO, a municipal corporation

By: ____________________________

Carl Jacobson, Mayor

**ATTTEST:**

______________________________

Tracy Weaver
City Clerk

**APPROVED AS TO FORM:**

By: ____________________________

Mark D. Hensley, City Attorney
DEVELOPER:

SMPO LAB, LLC, a Delaware limited liability company

By: ____________________________

Steve Williams

Its: ____________________________
EXHIBIT A

PROPERTY DESCRIPTION

PARCEL A

ALL OF PARCEL 4 OF PARCEL MAP NO. 7707, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 100, PAGE 78 OF PARCEL MAPS; TOGETHER WITH THAT PORTION OF PARCELS 1 AND 2 OF PARCEL MAP NO. 10427, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 113, PAGE 25 OF PARCEL MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY, SOUTHERLY AND SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE WESTERLY TERMINUS OF THE NORTHERLY LINE OF SAID PARCEL 1 OF SAID PARCEL MAP NO. 10427, SAID NORTHERLY LINE BEING SHOWN ON SAID PARCEL MAP AS BEARING NORTH 89° 53' 52" EAST, 158.66 FEET; SAID NORTHERLY LINE ALSO BEING THE SOUTHERLY RIGHT OF WAY LINE OF GRAND AVENUE, 60 FEET WIDE, AS SHOWN ON SAID PARCEL MAP NO. 10427; SAID SOUTHERLY RIGHT OF WAY LINE ALSO BEING THE NORTHERLY LINE OF SAID PARCEL 4 OF SAID PARCEL MAP NO. 7707 AND THE NORTHERLY LINE OF SAID PARCEL 2 OF SAID PARCEL MAP NO. 10427, ALL AS SHOWN ON SAID PARCEL MAP NO. 10427;

THENCE ALONG SAID NORTHERLY LINE OF SAID LOT 1 OF PARCEL MAP NO. 10427 AND CONTINUING ALONG THE NORTHERLY LINES OF SAID PARCEL 4 OF SAID PARCEL MAP NO. 7707 AND SAID PARCEL 2 OF SAID PARCEL MAP NO. 10427, NORTH 89° 53' 52" EAST, 308.01 FEET TO THE TRUE POINT OF BEGINNING;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 00° 06' 08" EAST, 152.16 FEET;

THENCE NORTH 89° 53' 52" EAST, 60.48 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 2 OF SAID PARCEL MAP NO. 10427; SAID SOUTHWESTERLY LINE SHOWN AS BEARING NORTH 54° 09' 12" WEST ON SAID PARCEL MAP;

THENCE ALONG SAID SOUTHWESTERLY LINE, SOUTH 54° 09' 12" EAST, 95.11 FEET TO THE POINT OF INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 297.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY RIGHT OF WAY LINE OF FRANKLIN AVENUE, 50 FEET WIDE, SAID STREET RIGHT OF WAY WIDTH BEING SHOWN ON SAID PARCEL MAP NO. 10427.

EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL 1 OF SAID PARCEL MAP NO. 10427 LYING SOUTHERLY OF SAID LINE THAT IS PARALLEL WITH AND 297.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY RIGHT OF WAY LINE OF FRANKLIN AVENUE, 50 FEET WIDE, SAID STREET RIGHT OF WAY WIDTH BEING SHOWN ON SAID PARCEL MAP NO. 10427.
PARCEL B

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 10427, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 113, PAGE 25 OF PARCEL MAPS, LYING SOUTHERLY OF A LINE, PARALLEL WITH AND 297.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY RIGHT OF WAY LINE OF FRANKLIN AVENUE, 50 FEET WIDE, SAID STREET RIGHT OF WAY WIDTH BEING SHOWN ON SAID PARCEL MAP NO. 10427.

END LEGAL DESCRIPTION
CITY COUNCIL ORDINANCE NO. 1470 EXHIBIT E

EXHIBIT B

Recording Requested By and
When Recorded Mail To:
SMPO Labs, LLC
5858 Ridgeway Center Parkway
Memphis, Tennessee 38120
Attention: Steve Williams

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made and
entered into by and between________________________, ("Assignor"), and
________________________, a _________________ ("Assignee").

RECITALS

A. The City of El Segundo ("City") and Assignor entered into that certain
Development Agreement dated ________________, 2012 (the "Development Agreement"), with
respect to the real property located in the City of El Segundo, State of California more
particularly described in Exhibit "A" attached hereto (the "Project Site"), and

B. Assignor has obtained from the City certain development approvals and permits
with respect to the development of the Project Site, including without limitation, approval of
________________________ for the Project Site (collectively, the "Project Approvals").

C. Assignor intends to sell, and Assignee intends to purchase that portion, of the
Project Site more particularly described in Exhibit "B" attached hereto (the "Transferred
Property").

D. In connection with such purchase and sale, Assignor desires to transfer all of the
Assignor's right, title, and interest in and to the Development Agreement and the Project
Approvals with respect to the Transferred Property. Assignee desires to accept such assignment
from Assignor and assume the obligations of Assignor under the Development Agreement and
the Project Approvals with respect to the Transferred Property.

THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's
right, title, and interest in and to the Development Agreement and the Project Approvals with
respect to the Transferred Property. Assignee hereby accepts such assignment from Assignor.

2. Assumption. Assignee expressly assumes and agrees to keep, perform, and fulfill
all the terms, conditions, covenants, and obligations required to be kept, performed, and fulfilled
by Assignor under the Development Agreement and the Project Approvals with respect to the
Transferred Property, including without limitation those obligations specifically allocated to the
Transferred Parcel as set forth on Exhibit "C" attached hereto.
3. **Effective Date.** The execution by City of the attached receipt for this Agreement is considered as conclusive proof of delivery of this Agreement and of the assignment and assumption contained herein. This Agreement is effective upon its recordation in the Official Records of Los Angeles County, California, provided that Assignee has closed the purchase and sale transaction and acquired legal title to the Transferred Property.

4. **Remainder of Project.** Any and all rights or obligations pertaining to such portion of the Project Site other than the Transferred Property are expressly excluded from the assignment and assumption provided in Sections 1 and 2 above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth next to their signatures below.

"ASSIGNOR"

[Name of Developer]

Date: ______________, ___

By: __________________________

Its: __________________________

By: __________________________

Its: __________________________

"ASSIGNEE"

_____________________________

Date: ______________, ___

By: __________________________

Its: __________________________
RECEIPT BY CITY

The attached ASSIGNMENT AND ASSUMPTION AGREEMENT is received by the City of El Segundo on this ___ day of ______________, ________.

CITY OF EL SEGUNDO

By: ______________________
    Director of Planning and Building Safety

STATE OF CALIFORNIA  )
    ) SS:
COUNTY OF ____________ )

On ________________, 20___, before me, ______________________, a Notary Public, personally appeared ________________________, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person 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)

STATE OF CALIFORNIA  )
    ) SS:
COUNTY OF ____________ )

On ________________, 20___, before me, ______________________, a Notary Public, personally appeared ________________________, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person 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)
EXHIBIT C

DEVELOPMENT FEE SCHEDULE

City of El Segundo Fees:

1. Police Service Mitigation Fee
   Per City Council Resolution No. 4687 adopted on October 5, 2010.

2. Fire Service Mitigation Fee
   Per City Council Resolution No. 4687 adopted on October 5, 2010.

3. Parks Mitigation Fee
   Per City Council Resolution No. 4687 adopted on October 5, 2010.

4. Traffic Mitigation Fee
   Per City Council Resolution No. 4443 adopted on November 15, 2005.

5. Water Meter Installation Fees
   Per Title 11 of ESMC.
CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code ("ESMC"), SMPO Lab, LLC, Mar Canyon Grand, LLC, and Richard Kizirian of the Kizirian Trust agree to comply with the following provisions as conditions for the City of El Segundo's approval of an Addendum to a Mitigated Negative Declaration for Environmental Assessment No. 959, General Plan Amendment No. 12-01, Specific Plan Amendment No. 12-01, Zone Change No. 12-01, Zone Text Amendment No. 12-01, Development Agreement No. 12-01, Subdivision No. 12-02 (VTM 71903), and Site Plan Review No. 12-01 ("Project Conditions").

Planning and Building Safety Department

1. Before building permits are issued, the applicant must submit plans that demonstrate substantial compliance with the plans and conditions of approval on file with the Planning and Building Safety Department. Site Plan Review approval must be granted before building permits may be issued. Any subsequent modification to the project as approved, including the site plan, floor plan, elevations, landscaping and materials, must be referred to the Director of Planning and Building Safety to determine whether the Planning Commission should review the proposed modification.

2. Before building permits are issued, the applicant must obtain all the necessary approvals, licenses and permits and pay all the appropriate fees as required by the City.

3. The applicant must comply with all mitigation measures identified in the Addendum to the Mitigated Negative Declaration of Environmental Impacts and the Errata to the Addendum. A Mitigation Measure Monitoring and Reporting Program (MMRP) was prepared as part of the environmental review for the project and is attached as Exhibit "I" to this Resolution. All mitigation measures in the Addendum to the Mitigated Negative Declaration of Environmental Impacts for the proposed project are incorporated by this reference into these conditions of approval. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and on the plans for which a building permit is issued.

4. Any changes to the colors and materials of the exterior façade of the buildings must be in compliance with the 222 Kansas Street Specific Plan Section 4.3(L) Design Standards and approved to the satisfaction of the Director of Planning and Building Safety.

5. Before the City issues a building permit, the applicant must submit final landscaping and irrigation plans to the City of El Segundo Planning and Building Safety Department and the Parks and Recreation Department for review and
approval to demonstrate compliance with the City’s Water Conservation regulations and Guidelines for Water Conservation in Landscaping (ESMC §§ 10-2-1, et seq.). The plant materials used in landscaping must be compatible with the El Segundo climate pursuant to Sunset Western Garden Book’s Zone 24 published by Sunset Books, Inc., Revised and Updated 2001 edition, which is available for review at the Planning and Building Safety Department. Additionally, the landscaping and irrigation must be completely installed before the City issues a final Certificate of Occupancy. Additionally, the final landscaping and irrigation plans must comply with the following:

A. Reclaimed water must be used as the water source to irrigate landscaped areas, if feasible. To that end, dual water connections must be installed to allow for landscaping to be irrigated by reclaimed water, if feasible.

B. Efficient irrigation systems must be installed which minimize runoff and evaporation and maximize the water which will reach plant roots (e.g., drip irrigation, automatic sprinklers equipped with moisture sensors).

C. Automatic sprinkler systems must be set to irrigate landscaping during early morning hours or during the evening to reduce water losses from evaporation. Sprinklers must also be reset to water less often in cooler months and during the rainfall season so that water is not wasted by excessive landscaping irrigation.

D. Selection of drought-tolerant, low-water consuming plant varieties must be used to reduce irrigation water consumption, in compliance with ESMC §§ 10-2-1, et seq.

6. Employees must be provided current maps, routes and schedules for public transit routes serving the site; telephone numbers for referrals on transportation information including numbers for the regional ridesharing agency and local transit operators; ridesharing promotional materials; and bicycle route and facility information.

7. Ground level mechanical equipment, refuse and recycling collectors, storage tanks, monitoring wells, generators, and other similar facilities must be screened from view with opaque walls of materials and finishes compatible with the overall design of the buildings in the project and provide dense landscaping to the satisfaction of the Planning and Building Safety Department.

8. Trash and recycling enclosures must be provided and shown on the site plan that are sufficiently large enough to store the necessary bins required for the regular collection of commercial solid waste and recyclable materials. The site plan with
the location and dimensions of the trash and recycling enclosure and an

elevation view of the enclosure must be provided to the Planning and Building
Safety Department for review and approval before the City issues building
permits. Separate trash and recycling facilities must be provided for each phase
of the project (Phase 1: USDA Facility; Phase 2: 2 office buildings).

9. Exterior lighting must be designed to minimize off-site glare.

10. The building must be designed to comply with the ESMC standards for the
    attenuation of interior noise.

11. Before the City issues a Certificate of Occupancy the applicant must provide the
    Planning and Building Safety Department a status report on the Leadership in
    Energy and Environmental Design (LEED) that includes the GBCI scorecard
    prepared by a qualified professional with a LEED AP credential. The Director of
    Planning and Building Safety will determine if the items identified on the
    scorecard and report, show a good faith effort to build to LEED standards and
    warrant release of this condition. The City can require peer review of the LEED
    report and GBCI scorecard by a qualified professional with a LEED AP credential
    hired by the City at the applicant’s expense to advise the Director of Planning
    and Building Safety in his or her determination. Additionally, the City can require
    inspections for grading, site improvements, and buildings for the project by a
    qualified professional with a LEED AP credential to verify that the project has
    been constructed in compliance with the LEED report and GBCI scorecard to
    advise the Director of Planning and Building Safety in his or her determination.

12. Before the City issues a Certificate of Occupancy for Phase 2, the applicant must
    submit a reciprocal access and parking agreement for joint use of the driveway
    entrance, drive aisle, and parking area on Lot 3 with Lots 1 and 2 of the proposed
    Vesting Tentative Tract Map (VTTM) to the Planning Department for review and
    approval by the Director of Planning and Building Safety. The reciprocal access
    agreement must be reviewed and approved as to form by the Director of
    Planning and Building Safety and City Attorney before recordation. The applicant
    must pay for all fees incurred by the City as a result of the City Attorney’s review
    of the Reciprocal Access Agreement before the City issues a Certificate of
    Occupancy. The reciprocal access agreement must be recorded before the City
    issues a Certificate of Occupancy.

13. Before the City issues a Certificate of Occupancy for any buildings or site
    improvements, the applicant must complete all the conditions of approval of
    Environmental Assessment No. 966 and Lot Line Adjustment No. LLA 12-03.

14. Vacation of the existing Edison easements is required before the City issues
    building permits for any buildings or structures within the easement area.
15. The project must meet all the design criteria of the Specific Plan to the satisfaction of the Director of Planning and Building Safety.

16. Before the City issues a building permit, landscaping plans must be reviewed and approved in compliance with the Site Plan Review criteria of the Specific Plan to the satisfaction of the Director of Planning and Building Safety.

17. Before the City issues a building permit, plans for walls, fences, lighting fixtures and accessory structures must be reviewed and approved in compliance with the Site Plan Review criteria of the Specific Plan to the satisfaction of the Director of Planning and Building Safety.

18. Before the City issues any building permits for signs, a Master Sign Program must be reviewed and approved by the Director of Planning and Building Safety.

Building Division Conditions


20. Before building permits are issued, the applicant must submit a geotechnical/soils report, along with an associated grading plan that addresses the current code to the Planning and Building Safety Department for review and approval.

21. Before grading permits are issued, the applicant must submit a soils report to the Planning and Building Safety Department for review and approval.

22. Before building permits are issued, plans must show compliance with accessibility requirements per the 2010 California Building Code, as adopted by the ESMC.

23. A covenant and agreement or equivalent instrument must be recorded to allow the use of disabled parking spaces on Lot 3 to serve the buildings on Lot 1 and 2. The covenant and agreement must be reviewed and approved as to form by the Planning and Building Safety Department and the City Attorney before recordation. The applicant must pay for all fees incurred by the City as a result of the City Attorney’s review of the covenant before the City issues a final building permit. The covenant must also be recorded before the City issues a final building permit.
24. A minimum slope of 2% must be provided at the north side of the Phase 1 building for drainage away from the building and to the street via a non-erosive device.

25. A minimum slope of 2% must be provided for drainage away from the Phase 2 buildings and to the street via a non-erosive device. Site drainage from lot 3 must be conducted to the street via a non-erosive device at a minimum 1% slope.

26. A Stormwater Pollution Prevention Plan (SWPPP) and a Standard Urban Stormwater Mitigation Plan, (SUSMP) for each phase of development must be provided and approved by the Planning and Building Safety Department.

27. The Phase 1 building must demonstrate that the occupancy group for the S occupancy is a S-2 occupancy. The building must provide sprinklers in compliance with the El Segundo Municipal Code. The plans must clearly show that the maximum 250 foot exit travel distance is not exceeded for rooms P-03, P-04, P-05, and P-07. The percentage of openings for the Phase 1 building must comply with table 705.8 of the 2010 California Building Code, as measured from the north property line.

28. The Phase 2 buildings must comply with Section 1022 of the 2010 California Building Code for exit enclosures for the stairways. The exit enclosures must extend to the exterior of the building and must be of 1-hr construction. The percentage of openings for the Phase 2 buildings must comply with table 705.8 of the 2010 California Building Code, as measured from the interior property lines. Restroom facilities for men and women are required and the number of plumbing fixtures must comply with table 4-1 of the 2010 California Plumbing Code.

29. Both phases of the project require complete structural calculations and details, along with a civil grading plan, and architectural notes and details to be reviewed and approved by the Building Division before a building permit is issued.

30. Both phases of the project require a geotechnical report to be reviewed and approved by the Building Division before a building permit is issued.

31. Separate permit applications are required for accessory structures, such as light standards, walls, retaining walls, and equipment pad foundations.

32. Separate permit applications are required for each of the following permit types: signs, grading, mechanical, electrical, and plumbing.
Fire Department Conditions

33. The project must comply with all applicable requirements of the 2010 California Building and Fire Codes and the 2009 International Fire Code as adopted by the ESMC and El Segundo Fire Department Regulations.

34. Before a building permit is issued, the applicant must submit and obtain approval of a Fire/Life Safety Plan from the Fire Department. The Fire/Life Safety Plan must identify fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department site access, fire water supply, fire hydrant locations, and any existing or proposed fire sprinkler systems and fire alarm systems.

35. A list of proposed chemicals for laboratory use must be provided to determine the types of hazards or permits necessary for the safe use or storage of lab chemicals to the satisfaction of the Fire Department.

36. If a second well is located during construction, the well must be abandoned in compliance with DOGGR requirements and DOGGR documentation of the abandonment must be provided to the Fire Department and the Planning Division.

Public Works Department Conditions

37. Before the City issues a Certificate of Occupancy and records the final map, the applicant must dedicate 10 feet along the entire Grand Avenue frontage of the subject property and provide an irrevocable offer to dedicate an additional 9 feet along the entire Grand Avenue frontage of the subject property to the satisfaction of the Public Works Department and the City Attorney. The City has the right to exercise its right to accept the property subject to the offer of dedication on or after, the earlier of, September 1, 2024, or 15 years following the date on which the certificate of occupancy was issued for the last building on the property. If the City amends its Circulation Element such that property that is subject to the offer of dedication is no longer required for public right-of-way purposes, then the offer of dedication will automatically expire. The applicant must enter into an agreement, in a form approved by the City Attorney, holding the City harmless and indemnifying it from any hazardous materials or contamination that may affect the property offered for dedication.

38. Before the City issues a Certificate of Occupancy the applicant must dedicate five feet along the entire Kansas Street and Franklin Avenue frontage of the property to the satisfaction of the Public Works Department.

39. Before the City issues a Certificate of Occupancy the applicant must eliminate the mid-block crossing on Kansas Street to the satisfaction of the Public Works Department.
40. Before the City issues a Certificate of Occupancy the applicant must provide a pedestrian countdown display on the signal pedestrian heads at the intersection of Grand Avenue and Kansas Street to the satisfaction of the Public Works Department.

41. The Final Map must be recorded and filed with the City Engineer of the City of El Segundo and Los Angeles County Recorder’s Office.

42. The applicant must ensure that encroachment permits deemed to be required by the City are secured from the Public Works Department before commencing any and all work in the public right-of-way.

43. All construction related parking must be accommodated on-site. No construction related parking will be permitted off-site.

44. Before the City issues any Certificate of Occupancy, the applicant must construct curb and gutter, sidewalk, and driveway approaches per SPPWC standards along Franklin Avenue and Kansas Street by an appropriately license contractor to the satisfaction of the Public Works Department. Sidewalk must be a minimum of 5 feet wide on all three street frontages.

45. Before the City issues any Certificate of Occupancy, the applicant must construct curb ramps per SPPWC standard Type 1 at the corner of Kansas Street and Grand Avenue as well as at the corner of Kansas Street and Franklin Avenue. Developer to provide 5-foot wide sidewalk behind the curb ramps.

46. Before the City issues any Certificate of Occupancy, the applicant must resurface half of the street from the proposed curb and gutter to the centerline of the street along Kansas Street and Franklin Avenue to the satisfaction of the Public Works Department.

47. Before the City issues any Certificate of Occupancy, the applicant must install a minimum 5-foot wide parkway including landscaping and street trees on Grand Avenue, Kansas Street and Franklin Avenue, in compliance with the General Plan Circulation Element standards and the Master Street Tree Plan, to the satisfaction of the Public Works Department, Planning and Building Safety Department and the Parks and Recreation Department.

48. The applicant must provide a potable water service lateral and water meter for each new lot. Location and sizes of all proposed water meters must be approved by Public Works Department Water Division.

49. The applicant must provide sewer lateral with property cleanout on each lot.
50. Any unused water service lateral and sanitary sewer laterals must be abandoned at the City main.

51. The project must comply with the latest NPDES requirements and provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control.

52. Before the City issues a building permit, the applicant must provide a SUSMP (Standard Urban Storm Water Mitigation Plan).

53. Before the City issues a building permit, the applicant must provide a SWPPP (Stormwater Pollution Prevention Plan).

54. Before the City issues a building permit, a registered civil engineer must provide storm (hydrologic and hydraulic) calculations for appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts, as follows, subject to review and approval from Public Works Department:
   a. The design must follow the criteria contained in both the Los Angeles County Department of Public Works Hydrology Manual 2006 and Standard Urban Storm Water Mitigation Plan or most recent editions. Flows shall not to impact neighboring properties.
   b. New development must not increase the rate of flow (cubic feet per second) or velocity (feet per second) of site run-off water to any off-site drainage areas beyond the measured or calculated pre-project rate and velocity.

55. Location and sizes of existing public utilities (water, sewer, etc.) must be shown on the plans. Indicate the location of any proposed connection points for the utility service.

56. All record drawings (As-built drawings) and supporting documentation must be submitted to the Department of Public Works before scheduling the project's final inspection.

Police Department Conditions

57. Before the City issues a building permit, the applicant must submit a photometric light study to the Police Department for review and approval. A site plan must be provided showing buildings, parking areas, walkways, and the point-by-point photometric calculation of the required light levels. Foot candles must be measured on a horizontal plane and conform to a uniformity ratio of 4:1 average/minimum. The photometric study must be point-by-point and include the light loss factor (.7). Lighting levels must be adjusted to meet the minimum foot candle requirements within each area of the site. Street lighting shall not be included in the calculations. All interior or exterior corridors, passageways and
pedestrian walkways and open parking lot shall be illuminated at all times with a minimum maintained one foot-candle of light on the walking surface.

58. Before the City issues a Certificate of Occupancy, lighting devices must be enclosed and protected by weather and vandal resistant covers. The lighting devices must be shown on plans to the satisfaction of the Police Department.

59. Before the City issues a Certificate of Occupancy, aisles, passageways and recesses related to and within all sides of the complex must be illuminated with a maintained minimum of .25 footcandles on the ground surface during hours of darkness. Compliance must be shown on plans to the satisfaction of the Police Department.

60. Before the City issues a Certificate of Occupancy, the addressing, all entry doors, open parking lots, shipping/loading dock doors, trash dumpsters and guest parking must be illuminated with a maintained minimum of one footcandle of light on the ground surface during hours of darkness.

61. Before the City issues a Certificate of Occupancy, street addressing must be a minimum of 6 inches high and must be visible from the street or driving surface, of contrasting color to the background and directly illuminated during hours of darkness. Addressing must also be shown on plan elevations.

62. Before the City issues a Certificate of Occupancy, light standards with lighting fixtures mounted at 12 to 14 feet in height must be installed for all walkways. Light standards and lighting fixtures must be shown on plans to the satisfaction of the Police Department.

63. Before the City issues a building permit, landscaping must be designed and shown on the plans to minimize obstruction of light fixtures to ensure maintenance of required lighting levels to the satisfaction of the Police Department.

64. Before the City issues a building permit, all landscaping must be shown on the plans to be low profile around perimeter fencing, windows, doors and entryways so as not to limit visibility or provide climbing access to the satisfaction of the Police Department. Bushes must be trimmed to 2 to 3 feet and away from buildings. Dense bushes cannot be clumped together in a manner that provides easy concealment.

65. Before the City issues a Certificate of Occupancy, all loading dock pedestrian doors must have a panoramic door viewer (190-200 degrees) installed. Notes must be provided on the plans demonstrating compliance with this requirement to the satisfaction of the Police Department.
66. Before the City issues a Certificate of Occupancy, a latch guard must be placed over all single swing entry door locks and secondary security astragals must be installed in all double swing entry doors.

67. Before the City issues a Certificate of Occupancy, bicycle racks must be located in well-lit highly visible locations. Bicycle rack locations must be shown on the plans to the satisfaction of the Police Department.

68. Before the City issues a Certificate of Occupancy, the USDA facility bicycle rack on Kansas Street must be relocated within the visitor parking lot in a secured area and shown on plans to the satisfaction of the Police Department.

Construction Conditions

69. Before any construction occurs the perimeter of the property must be fenced with a minimum 6-foot high fence. The fence must be covered with a material approved by the Planning and Building Safety Department to prevent dust from leaving the site.

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

71. NOx emissions during construction must be reduced by limiting the operation of heavy-duty construction equipment to no more than 5 pieces of equipment at any one time.

72. Staging of construction vehicles and vehicle entry and egress to the site must be approved by the Public Works Department. Temporary construction driveways must be approved by the Public Works Department. Temporary construction driveways must be removed before the City issues a certificate of occupancy.

73. Construction vehicles cannot use any route except the City’s designated Truck Routes.

74. The applicant must develop and implement a construction management plan, as approved by the Public Works Department before a building permit is issued, which includes the following measures recommended by the SCAQMD:

- Configure construction parking to minimize traffic interference.
- Provide temporary traffic controls during all phases of construction activities to maintain traffic flow (e.g., flag person).
- Re-route construction trucks away from congested streets.
- Maintain equipment and vehicles engines in good condition and in proper tune as per manufacturer’s specifications and per SCAQMD rules, to minimize dust emissions.
• Suspend use of all construction equipment during second stage smog alerts. Contact SCAQMD at (800) 242-4022 for daily forecasts.
• Use electricity from temporary power poles rather than temporary diesel or gasoline-powered generators.
• Diesel-powered equipment such as booster pumps or generators should be replaced by electric equipment, if feasible.
• Catalytic converters must be installed, if feasible.
• Equipment must be equipped with two-to-four-degree engine time retard or pre-combustion chamber engines.
• Use methanol or natural gas powered mobile equipment and pile drivers instead of diesel if readily available at competitive prices.
• Use propane or butane powered on-site mobile equipment instead of gasoline if readily available at competitive prices.

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

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

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

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

79. Before anticipated rainfall, construction dumpsters must be covered with tarps or plastic sheeting.

80. Inspections of the project site before and after storm events must be conducted to determine whether Best Management Practices have been implemented to reduce pollutant loadings identified in the Storm Water Prevention Plan.

81. The owner or contractor must conduct daily street sweeping and truck wheel cleaning to prevent dirt in the storm drain system.

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

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

84. Electrical power must be used to run air compressors and similar power tools.
85. The applicant must provide a telephone number for local residents to call to submit complaints associated with the construction noise. The number must be posted on the project site and must be easily viewed from adjacent public areas.

86. During construction, the contractor must store and maintain equipment as far as possible from adjacent residential property locations northwest of the site.

87. As stated in ESMC Chapter 7-2, construction related noise is restricted to the hours of 7:00 a.m. to 6:00 p.m. Monday through Saturday, and prohibited at anytime on Sunday or a Federal holiday.

**Service Fee Conditions**

88. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before building permits are issued, the applicant must pay a one-time park facilities mitigation fee in accordance with Section 5.2 of the Development Agreement. The fee amount must be based upon the adopted fee at the time the building permit is issued.

89. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before building permits are issued, the applicant must pay a one-time fire services mitigation fee in accordance with Section 5.2 of the Development Agreement. The fee amount must be based upon the adopted fee at the time the building permit is issued.

90. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before building permits are issued, the applicant must pay a one-time police services mitigation fee in accordance with Section 5.2 of the Development Agreement. The fee amount must be based upon the adopted fee at the time the building permit is issued.

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

92. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before the City issues a certificate of occupancy, the applicant must pay a one time traffic mitigation fee in accordance with Section 5.2 of the Development Agreement. The fee amount must be based upon the adopted fee at the time the building permit is issued.

93. Before building permits are issued, the applicant must pay the required School Fees. This condition does not limit the applicant’s ability to appeal or protest the payment of these fees to the school district(s).

**Miscellaneous**

94. SMPO Lab, LLC, Mar Canyon Grand, LLC, and Richard Kizirian, on behalf of the Kizirian Trust, agree to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney’s fees), injuries, or liability, arising from the City’s approval of Environmental Assessment...
No. 959, General Plan Amendment No. 12-01, Specific Plan Amendment No. 12-01, Zone Change No. 12-01, Zone Text Amendment No. 12-01, Subdivision No. 12-02, Site Plan Review No. 12-01, or Development Agreement (DA) No. 12-01. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of Environmental Assessment No. 959, General Plan Amendment No. 12-01, Specific Plan Amendment No. 12-01, Zone Change No. 12-01, Zone Text Amendment No. 12-01, Development Agreement (DA) No. 12-01, Subdivision No. 12-02, Site Plan Review No. 12-01, SMPO Lab, LLC, agrees to defend the City (at the City’s request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section “the City” includes the City of El Segundo’s elected officials, appointed officials, officers, and employees.

By signing this document, Steve Williams on behalf of SMPO Lab, LLC, Allan Mackenzie on behalf of Mar Canyon Grand, LLC, and Richard Kizirian, on behalf of the Kizirian Trust, certify that they have read, understood, and agree to the Project Conditions listed in this document.

______________________________________________________________________________
Steve Williams,
SMPO Lab, LLC

______________________________________________________________________________
Allan Mackenzie, President
Mar Canyon Grand, LLC

______________________________________________________________________________
Richard Kizirian,
Kizirian Trust
AGENDA DESCRIPTION:

Consideration and possible action regarding a request from the City of Torrance to modify Torrance Transit Line 8 to include four new bus stops within the City of El Segundo and affix signage accordingly.
(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Adopt a resolution for establishing new bus stops for Torrance Transit Line 8 per CVC 22500(i) and ESMC 8-5-3(D).
2. Approve the request to allow Torrance Transit to make additional bus stops in the City of El Segundo and affix the appropriate signage at each stop.
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution
2. Torrance Transit Route Map (“Exhibit A”)

FISCAL IMPACT: None

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ORIGINATED BY: Meredith Petit, Recreation Superintendent
REVIEWED BY: Bob Cummings, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

Recently staff was notified by the City of Torrance of proposed changes to their Torrance Transit Line 8 bus route through the City of El Segundo. If approved, the proposed changes will go into effect in October 2012.

The Torrance Transit Line 8 currently travels southbound on Nash Street and northbound on Douglas Street. This route was established at a time when those streets were designated as one-way thoroughfares. In an effort to provide better transportation options and service to residents, employees, and other passengers, the route changes will facilitate more efficient connections to the Metro Green Line (Northbound and Southbound) and nearby large-scale employers.

The proposed changes shift the northbound travel to Nash Street and are as follows:

Northbound:
- Nash St / Grand Ave. (Near Side)
- Nash St / Mariposa Ave. (Near Side)
- Nash St / Maple Ave (Near Side)
Southbound:

- Nash St / Maple Ave (Near Side)

A nearside stop the bus stop sign would be approximately 5 feet away from the end of radius of the intersection or crosswalk (whichever is further). Buses are 40' in length.

City staff from the Police Department's Traffic Division and Public Works' Engineering Division has reviewed the proposed locations and do not have any objections concerning the buses or signage. The City of Torrance will be responsible for installing poles and/or signs, depending on the location.

In an effort to continue to offer residents and employees a selection of transportation options, staff respectfully requests City Council approve the request from Torrance Transit to modify Line 8.
RESOLUTION NO. ___

A RESOLUTION ESTABLISHING BUS STOP AND NO PARKING AREAS AS SPECIFIED.

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

SECTION 1: Pursuant to Vehicle Code § 22500(i) and El Segundo Municipal Code ("ESMC") § 8-5-3(D), the City Council designates the areas identified in attached Exhibit "A," as bus stops and a "no parking" zone. The City Manager, or designee, is authorized to properly post such designated areas with signs and, as appropriate, curb markings.

SECTION 3: This Resolution may be enforced in accordance with any applicable law after the areas designated above are properly posted with signs.

SECTION 4: The City Clerk will certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

SECTION 5: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this ___ day of ____________, 2012.

________________________________________
Carl Jacobson, Mayor

ATTEST:

________________________________________
Tracy Weaver, City Clerk

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

By: ______________________________________
Karl H. Berger, Assistant City Attorney
CERTIFICATION

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, DO HEREBY CERTIFY that the whole number of members of the City Council of the said City is five; that the foregoing resolution, being RESOLUTION NO. _____ was duly passed and adopted by the said City Council, approved and signed by the Mayor of said City, and attested by the City Clerk of said City, all at a regular meeting of the said Council held on the _____ day of _____________, 2012, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTION:
NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this _____ day of _____________, 2012.

Tracy Weaver, City Clerk
Of the City of El Segundo,
California
(SEAL)
Northbound:
- Nash St / Grand Ave. (Far Side)
- Nash St / Mariposa Ave. (Near Side)
- Nash St / Maple Ave (Far Side)

Southbound:
- Nash St / Maple Ave (Far Side)
AGENDA DESCRIPTION:
Consideration and possible action regarding a request from the El Segundo Kiwanis Club to operate a Beer Garden in the food court section of the Kiwanis sponsored 36th Annual Richmond Street Fair on Saturday, September 22, 2012 from 11:00 am – 5:00 pm. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Approve the request from the El Segundo Kiwanis Club to operate a Beer Garden in the food court section of the 36th Annual Richmond Street Fair, subject to compliance with all Alcohol Beverage Commission regulations and permits;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

FISCAL IMPACT: $

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>N/A</td>
</tr>
</tbody>
</table>

PREPARED BY: Bob Cummings, Director of Recreation and Parks
REVIEWED BY:
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
The El Segundo Kiwanis Club is sponsoring the 36th Annual Richmond Street Fair to be held in Downtown El Segundo on Saturday, September 22, 2012. As a component of the event, the El Segundo Kiwanis Club has requested to operate a Beer Garden in the food court section of the Fair from 11:00 a.m. – 5:00 p.m. subject to state Alcohol Beverage Commission regulations and permits.

The El Segundo Kiwanis Club is experienced in operating Beer Gardens at local special events, including the Hometown and Richmond Street Fairs. It is staff’s request that due to their proven track record in upholding state regulations and the addition of a well received event component by the public, that the City Council grant the approval of the Beer Garden at the 2012 Richmond Street Fair.
AGENDA DESCRIPTION:

Consideration and possible action regarding acceptance of Energy Efficiency Lighting Retrofit Project. Project No. PW 12-01 (Fiscal Impact: $93,264.00)

RECOMMENDED COUNCIL ACTION:

1. Accept the project as complete and authorize the City Clerk to File a Notice of Completion in the County Recorder’s Office; or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Notice of Completion

FISCAL IMPACT: Budget Adjustment Required

Amount Budgeted: $115,615.29
Additional Appropriation: N/A
Account Number(s): 124-400-3727-6206

ORIGINATED BY: Stephanie Katsouleas, Public Works Director
REVIEWED BY: Stephanie Katsouleas, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On December 11, 2010, the City of El Segundo was awarded a $90,691 grant from the California Energy Commission (CEC) to implement a lighting retrofit. After more closely evaluating the work identified in the grant request, it was determined that some upgrades did not qualify because they were already too energy efficient. Staff was able to work with the CEC to come up with a different project that would still fulfill the intent of the grant award.

On March 20, 2012 City Council awarded a contract to J. Kim Electric to install 448 energy efficient lighting bulbs, fixtures and occupancy sensors in various City facilities, including City Hall, Police, Fire, Library, the Maintenance Yard, the Water Yard, and Recreation Park using the CEC grant funds and anticipated Southern California Edison (SCE) rebate. A total of 303 fixtures were ultimately installed (184 occupancy sensors and 119 exterior lights, 0 bulbs).

Prior to commencing work, staff determined that the SCE rebate would be large enough to install additional occupancy sensors, lighting upgrades and exterior fixtures. This led to the additional $17,511.29 supplemental request by staff on May 1, 2012. However, once installation work commenced, it was discovered that some upgrades could not be performed due to 1) incompatibility of ballasts with the new bulbs (151 bulbs)), 2) access to certain areas of the police station for occupancy sensors (10 sensors) and 3) inferior lighting quality at the tennis courts (44 fixtures). However, an additional 60 occupancy sensors were installed in other locations, bringing the total installations to 303. Staff anticipates that the reduction in
expenditures will decrease the estimated rebate the City will receive from Southern California Edison but will still fully cover the $93,264 actually spent on this project.

The following is an accounting summary:

$87,999.60    Original Bid
$10,107.40    Construction Contingency
$98,107.00    Total Project Award

$17,511.29    Supplemental Request for Additional Fixtures awarded on May 1, 2012.
$115,615.29    New Total Project Award

$93,263.64    Total Cost of Project (Final)
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Installation of Energy Efficient Lighting Fixtures at Various El Segundo Facilities
Project No.: PW 12-01

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 Facilities

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on February 22, 2012. The work done was: Installation of Energy Efficient Lighting Fixtures at Various El Segundo Facilities

6. On August 21, 2012 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: J. Kim Electric.

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: El Segundo Police Station, Fire Station, City Hall, Water Yard, Maintenance Yard and Recreation Park.

9. The street address of said property is: 350 Main Street, El Segundo, CA 90245

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 ____________________, 2012 at El Segundo, California.

Stephanie Katsouleas
Public Works Director
AGENDA DESCRIPTION:
Consideration and possible action to direct staff to take steps necessary to seek input from various City Committees regarding a potential agreement with Centercal Properties, LLC for enhancing the driving range and dining facilities at The Lakes golf course which would be operated by Top Golf. The agreement would be negotiated by the City Manager and City Attorney and presented for review and potential approval by the City Council at a future date. (Fiscal Impact: To Be Determined)

RECOMMENDED COUNCIL ACTION:
1. Receive and file presentation;
2. Direct staff to seek input from the Golf Course Subcommittee, Recreation and Park Commission, and Economic Development Advisory Committee for regarding a potential agreement by and between the City of El Segundo and Centercal Properties, LLC.
3. Direct the City Manager and City Attorney to negotiate terms of a agreement with Centercal Properties, LLC for a new TopGolf facility to be located at The Lakes in place of the existing driving range
4. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. TopGolf Overview-Marketing Package

FISCAL IMPACT: N/A

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

ORIGINATED BY: Ted Shove, Economic Development Analyst

REVIEWED BY: Sam Lee, Director of Planning and Building Safety

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
City Council approved the 2012 Economic Development Strategy in September 2011. The ED Strategy has served as a guide to formalizing an economic development program which included hiring a dedicated staff member to execute the components described within it. One of the components described was to perform business attraction efforts, with an emphasis on new businesses that would boost future sales tax revenue to the City.
City staff began discussions in February 2012 with an El Segundo-based developer, Centecal Properties, LLC for a potential new recreation/entertainment venue (TopGolf) to be located within the City. Centecal Properties, LLC currently operates approximately 3 million square feet of development throughout 11 western states; with a reputation of building quality development. Centecal's successes are largely due to strong financial backing which comes primarily from the California State Teachers Retirement System (CalSTRS).

Representatives from Centecal went through an exhaustive site selection process that factored: resident and workforce populations; current and future real estate market (including availability of potential sites); complexion of regional business base; market share and positioning within the Los Angeles Metropolitan Area; and the financial condition of the existing golf course facility. Based upon these factors, the site that demonstrated the greatest mutual potential was the existing driving range portion of the El Segundo golf course also known as 'The Lakes'.

From a fiscal financial perspective, 'The Lakes' is not a profitable enterprise fund for the City. The facility has historically struggled to 'break even' and has been unable to contribute to its own existing debt to the City's general fund. Earlier this year, a wind event caused catastrophic damages to the poles and netting of the facility. A portion of the financial burden was placed on the City's general fund to make the emergency repairs necessary to reopen the facility.

Proposed Project – TopGolf

TopGolf is a revolutionary entertainment concept that utilizes state-of-the-art patented technology within the realm of the sport of golf. Their facilities provide an authentic experience in a social, non-intimidating environment for newcomers to seasoned golfers across all age groups. With energetic and upscale facilities that cater to families, corporate meetings and special events; TopGolf is a potential enhancement for the resident and business base of the community. TopGolf has successfully leveraged significant market share within the golfing community as demonstrated by its major investor, Callaway Golf. In addition, TopGolf is formalizing partnerships with the LPGA, PGA and The First Tee organizations.

Should the City Council direct staff to proceed, improvements would be required at the current facility to accommodate the new operation: TopGolf. These improvements would include some golf course layout alterations, increase parking area and enlarge the existing driving range. The cost of these improvements would be the sole responsibility of Centecal Properties, LLC. City staff would negotiate an agreement to minimize any risk of expense or liability by proceeding with this Project, and have Centecal Properties, LLC indemnify the City for all associated expenses and liabilities.

Centecal Properties, LLC has requested a long term ground lease from the City for an area sufficient in size to include the driving range portion of the site, drainage facilities and parking. Parking access would be granted to the City for public use over all areas constructed for parking to ensure parking is shared for both the proposed TopGolf facility and the golf course. The golf course would continue to be managed by the City operator.

The annual projected increase in revenue would result in two sources including: ground lease (to be negotiated) and tax revenues. Projected annual tax revenues would be approximately $70-
$80,000 per year to the City and would include: Sales Tax – approx. $50,000; Utility User Tax – approx. $15,000; and Business License Tax (assuming full tax credit utilized) – approx. $10,000.

As a result of this proposed project, there would be a net increase in jobs of 96-121 new full time equivalent positions. This potential job creation would diversify the City’s workforce; providing a greater diversity of employment opportunities for El Segundo’s resident base. TopGolf would create 100-125 new full time equivalent positions. However, four employees currently employed with the management company could be displaced. These employees could be relocated to other operations managed by the management company, hired by TopGolf or retrained and placed with another employer by the South Bay Workforce Investment Board.

**TopGolf – Input From Other Communities**

TopGolf has indicated that the impact of their operation on the communities that they serve includes: Increases in tax revenue; increases and diversification of workforce; increases in the amount of visitors from surrounding communities; and attract greater numbers of community residents to the facility.

City staff contacted one of the communities that TopGolf has operated in since 2006. Mr. Ross Klicker from the City of Wood Dale, IL stated, “TopGolf has been a tremendous benefit to our community. Since they draw from a regional customer base, we have actually seen new developments resulting from their existence. Our golf course sales have significantly improved and have become profitable due to the synergy of being next to TopGolf.”

El Segundo Police Department conducted a courtesy investigation with four local law enforcement agencies that have jurisdiction over the location of TopGolf facilities within: Wood Dale, IL; Allen, TX; Dallas, TX; and Alexandria, VA. The results of the investigation indicated no unusual problems or disturbances with a ‘good crowd’ observed.

**Conclusion**

Based upon market share and sales projections, TopGolf anticipates that a new location within the City of El Segundo would create a regional draw. This draw would provide for substantial direct and indirect sales tax revenue increases to the City while providing an enhanced amenity for the community. The direct revenue increases would result from an annual ground lease, sales tax, utility users tax and business license tax revenues. Indirectly, increases to sales for local businesses would result in additional sales tax and transient occupancy tax revenues to the City. These increases would have a direct correlation with the regional draw and capital influx from outside the community as well as the approximately net 96 – 121 full time equivalent new jobs resulting from TopGolf’s operation. TopGolf’s presence in place of the existing driving range is expected to result in ‘The Lakes’ becoming financially sustainable without continued financial assistance from the City’s General Fund.

For these reason, staff requests the City Council to direct staff to seek input from various commissions and to allow the City Manager and City Attorney to begin negotiating with Centercal Properties, LLC. Terms of the agreement will be brought back to Council for approval.

P:\Planning & Building Safety\CC Report\Template 2012.doc
1. WHAT IS TOPGOLF?
2. TECHNOLOGY
3. COMPANY INFORMATION
4. TECNOLGOLF'S NEWEST LOCATION: ALLEN, TX (DALLAS)
5. TECNOLGOLF'S ECONOMIC IMPACT
6. GROWTH STRATEGY AND PLANS
7. WHAT PEOPLE ARE SAYING
Year Round Facility: All 3 stories of bays are covered, all-weather, heated and cooled.

Competition.

New Segmentation create a barrier to entry for themselves or up to six other players.

A fun social experience: players compete against Patented technology: proprietary technology and short yardage and point feedback.

Authentic golf experience: Tour-quality Topgolf®

THE NEW DEFINITION OF GOLF
Working fire pits, cabanas, and outdoor games

- 3,000 square foot outdoor roof terrace with
  space with full A/V capabilities.

- 6,000 square feet of top-quality corporate event
topgolf hitting bays

Food and beverage service provided directly to

with an executive chef at each location
restaurant-quality breakfast, lunch and dinner

CORPORATE EVENT FACILITIES

FULL-SERVICE RESTAURANT AND

WHAT IS TOPGOLF?
200,000 annual customer visits
$8.4 million in gross revenue (2011)
72 all-weather days
Topgolf Dallas (2008 onward)

25,000 annual customer visits in 2005
$310,000 in gross revenue in 2005
50 grass stalls
Ranch
Hankey Haney Golf Range @ Park Lane

Topgolf Dallas "Before" and "After"

Topgolf is not just a driving range
Topgolf appeals to people of all ages. Topgolf is a fun concept that appeals to people of all ages. Over 100,000 schoolchildren will visit our six courses this year. Over 50% of all customers are under the age of 30. Casual golfers, and non-golfers, church groups, corporate groups – avid golfers, teenagers, young professionals, school groups, families. Everyone plays at Topgolf; children, moms, dads, grandparents, and friends. Market appeal.
TopGolf helps eliminate the traditional entry barriers to Golf, which have been found to discourage new players, particularly youth, from learning the game. As such, TopGolf provides a unique and fun “access point” into the sport.

<table>
<thead>
<tr>
<th>Golf Participation Barrier:</th>
<th>TopGolf’s Twist:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Golf is intimidating”</td>
<td>TopGolf provides a fun, non-intimidating way to learn how to swing a golf club for beginners of all skill levels</td>
</tr>
<tr>
<td>“Golf takes too much time”</td>
<td>TopGolf provides a game-like environment with instant results visually displayed on a flat screen. One Game (20 balls) takes 10 minutes.</td>
</tr>
<tr>
<td>“Golf is too expensive”</td>
<td>TopGolf is a fraction of the cost of playing 18 holes of golf (players can play for as little as $3.00)</td>
</tr>
<tr>
<td>“I don’t own golf equipment”</td>
<td>TopGolf provides free full sets of club rentals for all guests</td>
</tr>
</tbody>
</table>
Topgolf Targets

淮其 their skills.

points, allowing players to compete and

When a ball lands in any area in the
target, the feedback is translated into

ball landing combined with sensors in the

Target's with RFID readers.

Each outfield has 10 strategically placed

outfields targets provide instant and

precise yardage and location feedback.

Individual players.

of the ball (which is coded and assigned
chip, it doesn't affect the weight or flight

Each ball contains an embedded RFID

system.

Uses a proprietary and patented I.D. ball

Topgolf Balls

TECHNOLOGICAL "SPIN" ON THE GAME OF GOLF.

Topgolf is a unique, fully-patented protected

Topgolf Technology
<table>
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<th>Application #:</th>
<th>International Patent Description</th>
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<td>March 1998</td>
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</table>

and every major global market. Protect each key aspect of the Topgolf experience. The patents are secured in the U.S.

Topgolf's I.D. Ball System is composed of 5 distinct international concept patents that...
Funding, and cash flows
Future Growth Funded by Construction Loans, REIT
Raised $25 Million in Equity in late 2010

Funding

Australia (China, Japan, Korea), Europe (France, Germany), and
International Growth estimated at 500+ Sites in Asia

Opportunity 100+ Sites

Locations in the U.S. over the next 6 Years: total U.S.
2012 Openings in Austin and Houston; will develop 50+

Expansion

Dallas/Fort Worth (2 – Dallas & Allen)
Chicago (1 – Wood Dale)
Washington, DC (1 – Alexandria, VA)
London (3 – Watford, Chigwell & Survey)

7 Operating Locations
- Bank of America (Credit Facility Provider)
- Entertainment Properties Trust (NYSE: EPR) - REIT Financing Partner
- Tom Dundon (CEO, Santander Commercial USA)
- West River Capital
- Callaway Golf Company (NYSE: ELY)

FINANCIAL PARTNERS AND INVESTORS ADV TOPGOLFS KEY
Topgolf Allen is attracting over 350,000 visitors per month. The site is a 13 acre parcel located within a 400 acre, mixed use, high traffic new development minutes away with no traffic, 50-60 minutes during peak hours. Allen is a prominent Dallas suburb, 23 miles north of the existing Topgolf Dallas location (30-35).

**Market Overview**

- Basic site design will be prototype for future sites.
- Operated significantly above budget during opening summer months despite record breaking heat wave.
- Topgolf Allen operates on an upgraded technological platform and includes key design upgrades to the facility.

**Development Overview**

- 94 pay; integrated bars, restaurant and meeting/event space; rooftop terrace

Topgolf’s newest location (Allen, TX)
February 2012 and June of 2011 are the key events of Allen’s development. The customer (geo-coded) data represents one dot per customer. Each dot represents a customer visit to the store. Allen attracted over 300,000 visits.
<table>
<thead>
<tr>
<th>Project Cost (Million)</th>
<th>Economic Output (Million)</th>
<th>Jobs Created</th>
<th>Total Economic Output (10 Years)</th>
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</thead>
<tbody>
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<tr>
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<td>Topgolf 10 Year Direct Impact</td>
</tr>
</tbody>
</table>

**Measurable Economic Impact**

Facilities provide a Topgolf Allen and Future
Practice facilities for sports teams
Offer elementary school outreach programs
Partnerships with local schools

Collaborate with college students in a variety of disciplines
We offer intern opportunities for high school and
benefits, and over 250 employees during the summer
Each site creates over 100 full-time equivalent jobs with

Job Creation

Scholarships and school improvements
Donated items to dozens of silent auctions to benefit
Sponsor and host charity golf outings
Donate thousands of dollars annually to local charities

Local Charities and Events

IMPACT
TOPOGOLF COMMUNITY
steve di costanzo, president of golf range magazine, new york times feature

that is. everyday is welcome, and everybody can relate to it on their level, whatever.

what i like best is that it fights golf's stigma, over traditional stereotype.

"topgolf customer, washington times feature"

"I'm myself on the Beltway heading to Kingsstowne."

"It's incredibly addictive. I'll be driving on the I-95 — all of a sudden, I'll find

"topgolf is the holy grail of golf entertainment."

"topgolf customer, topgolf dallas help website"

"I'm addicted."

"I hit the first shot of my life playing Topgolf a few weeks ago and now I'm

-larry nelson, 1983 us open champion

"If I had Topgolf where I grew up, I would have won 5 us opens."

"what our customers are saying"
AGENDA DESCRIPTION:

Consideration and possible action to approve conceptual designs for the Maple Ave. Rehabilitation Project so that staff can direct APA Engineering to move forward with developing plans and specifications for the street improvement project. (Fiscal Impact: None.)

RECOMMENDED COUNCIL ACTION:

1. Approve conceptual designs for Maple Ave. Rehabilitation Project; or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Design Concept

FISCAL IMPACT: None

Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s):

ORIGINATED BY: Stephanie Katsouleas, Public Works Director
REVIEWS BY: Stephanie Katsouleas, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

In October 4, 2011, the City of El Segundo received a $2.5 million grant award and entered a Funding Agreement with Metro to make arterial improvements to Maple Ave., between Sepulveda Blvd. and Nash St. The proposed improvements consist of:

- Improving storm water and runoff drainage near the intersection of Nash St. and Maple Ave.
- Improving the roadway surface for a better traveling experience.
- Creating center travel medians for safer left turns in and out of adjacent businesses.
- Providing aesthetic enhancements (center landscaping) with colorful, drought-tolerant plants.
- Improve crosswalks (consolidating, surfacing puck lighting, center island refuge) and sidewalks, meeting ADA requirements.
- Maintaining one lane for travel and one lane for parking.

On March 20, 2012, City Council awarded a contract to APA Engineering, Inc to prepare conceptual plans for the street improvements and, after approval, prepare construction plans and specification for bidding. In June, APA Engineering began developing the initial design concept and outreached to businesses on Maple Ave. impacted by the project. Via email and phone calls,
and outreached to businesses on Maple Ave. impacted by the project. Via email and phone calls, APA met with or talked to via email/phone several affected businesses, including Boeing and Storage Masters. On July 25, 2012, the City and APA Engineering held a public workshop for the adjacent businesses to formally present the final draft design concept. Several comments were provided and incorporated into the final design presented at that meeting. The final draft design elements include:

1. Maintaining one travel and one parking lane (current conditions).
2. Creating a center travel median with dual left turns into existing driveways.
3. Consolidated two crosswalks into one, safer crosswalk with in-ground warning detectors and a center island refuge.
4. Enhancing the road surface with highly effective rubberized asphalt.
5. Eliminating localize pooling/flooding by installing storm drains on Maple Ave. near the intersection of Nash St. and connecting them to the nearby city storm drain network, location to be determined (Mariposa/Nash or Maple/Nash, depending on hydrology constraints).
6. Enhancing sidewalks and crosswalks, ensuring that they are ADA compliant.
7. Installing several center medians with colorful, drought-tolerant landscaping and pavers.

Prior to developing construction plans and specifications, City Council must approve the design plan as presented or with modifications so that staff may authorize APA Engineering to proceed accordingly. Please note that the entire project (design, plans and specs, and construction) is fully funded with Measure R grant funds. Therefore, any requested design changes made after the street improvement design is completed will be at the City’s expense and will delay the project completion scheduled identified in the funding agreement.