



# PLANNING COMMISSION

## REVISED AGENDA

### October 22, 2020

**PURSUANT TO EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, THE FOLLOWING MEETING WILL TAKE PLACE SOLELY BY TELECONFERENCE / VIDEOCONFERENCE.**

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*How Can Members of the Public Observe and Provide Public Comments?*

Residents are strongly encouraged to participate remotely via Spectrum Channel 3 and 22, AT&T U-verse Channel 99 and/or El Segundo TV at YouTube.com. Members of the Public may provide comments electronically by sending comments to the following e-mail address, with a limit of 150 words and accepted up until 30 minutes prior to the meeting: **PUBLICCOMMUNICATIONS@elsegundo.org**, *in the subject line please state the meeting date and item number*. Depending on the volume of communications, the emails will be read to Council during public communications and are subject to disclosure under the Public Records Act.

Members of the Public may also provide comments in the designated area in Council Chamber up to and during public communication portion of the meeting. Members of the public must observe “social distancing” requirements at all times, *i.e.*, remain six (6) feet from other attendees during the entirety of the event or gathering.

*Additional Information:*

The Planning Commission 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 Planning Commission 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](http://www.elsegundo.org) and additional copies will be available at the Planning Commission meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the Planning Commission 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 Planning Commission, please state: Your name and residence and the organization you represent, if desired. Please respect the time limits.***

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DATE: Thursday, October 22, 2020

TIME: 5:30 p.m.

PLACE: City Council Chambers, City Hall  
350 Main Street  
El Segundo, California 90245-0989

VIDEO: El Segundo Cable Channel 3 (Live).  
Replayed Friday following Thursday's meeting  
at 1:00 pm and 7:00 pm on Channel 3.  
(Schedule subject to change)

All files related to this agenda are available for public review in the Planning Division office, Monday through Thursday 7:00 am to 5:00 pm and alternating Fridays until 4:00 pm beginning at 7:00 am Monday prior to the Planning Commission meeting.

The Planning Commission, with certain statutory exceptions, can only take action upon properly posted and listed agenda items.

Unless otherwise noted in the Agenda, the public can only comment on City-related business that is within the subject-matter jurisdiction of the Planning Commission and items listed on the Agenda during the Public Communications portion 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 generally five minutes per person.

Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the Planning and Building Safety Director a minimum of two working days before the meeting and they do not exceed five minutes in length. Written materials distributed to the Planning Commission within 72 hours of the Planning Commission meeting are available for public inspection immediately upon distribution in the City Clerk's office and on the City's website, [www.elsegundo.org](http://www.elsegundo.org).

**In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact City Clerk, (310) 524-2307. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.**

- A. **Call to Order**
- B. **Pledge of Allegiance**
- C. **Roll Call**
- D. **Public Communications** (Related to City Business only and for which the Planning Commission is responsible—5 minutes per person; 30 minutes total).

Individuals who received value of \$50 or more to communicate to the Planning Commission on another's behalf, and employees speaking on their employer's behalf, must so identify themselves before addressing the Commission. Failure to do so is a misdemeanor. While all comments are welcome, the Brown Act does not allow the Commission to take action on any item not on the agenda. The Commission may respond to comments after public communications is closed.

E. **Consent Calendar**

All items are to be adopted by one motion without discussion. If a request for discussion of an item is made, the items should be considered individually under the next Agenda heading.

- 1. Approval of the September 10, 2020 Planning Commission Meeting Minutes.

**RECOMMENDED ACTION:** Approve the Minutes

- 2. Approval of the August 27, 2020 Planning Commission Meeting Minutes.

**RECOMMENDED ACTION:** Approve the Minutes

- 3. **EA-1293 Administrative Determination (AD 20-01) for Veterinary Clinic (PS).**

**RECOMMENDED ACTION:** Receive and File Zoning Code Interpretation (AD 20-01)

F. **Call items from Consent Calendar**

G. **Written Communications** (other than what is included in Agenda packets)

H. **New Business—Public Hearing**

- 4. **Catalyst -EA-1242 (EE)**

**Address:** 233 Kansas Street / 1521 East Grand Avenue

**Applicant:** City of El Segundo

**Project Description:**

A Community Benefits Plan (CBP 20-01) to permit exceptions to height and floor area ratio, pursuant to Smoky Hollow Specific Plan, and Environmental Assessment (EA-1242) related to construction of three new office buildings at 1521 East Grand Avenue (North Site) and 233 Kansas Street (South Site), in the Smoky Hollow-East (SH-E) district. The applicant proposes demolish the buildings on the North Site and construct three buildings – a 86,757 square foot 3-story building, a 62,953 square foot 4-story building, and an above-ground 154,137 square foot

parking garage with 482 parking spots. All buildings on the South Site will be demolished, and two new buildings are proposed – a 91,951 square foot, 3-story office building, and an above ground, 130,327 square foot parking structure providing 396 spots and a 1,217 square foot café with outdoor dining. A vesting tentative tract map (No. 083237) for commercial condominium, merger, and resubdivision purposes is in progress.

**RECOMMENDED ACTION:** Continue to the November 12, 2020, meeting.

5. **Plaza El Segundo and The Point Development Agreement -EA-1279 (PS)**

**Project Address:** 700-860 S Sepulveda Blvd., 2004-2015 East Park Place,  
and 700-740 Allied Way

**Applicant:** Street Retail, Inc.

**Project Description:** A request to amend prior approvals for Plaza El Segundo and The Point shopping centers originally approved in 2005 and amended subsequently. The two centers consist of 498,442 square feet of retail, restaurant, grocery, office, service and fitness uses. The applicant seeks to increase the maximum permitted percentage of Non-sales tax generating uses, such as offices, to 40 percent of the overall building area for the two centers. This project consists of the following applications: Environmental Assessment EA-1279; Development Agreement DA20-01 (8th Amendment); and changes to the conditions of approval for the two centers.

The Planning Commission will consider recommending the amendments to the development agreement and conditions of approval, to be adopted by the City Council. The City Council is the final decision maker on whether to adopt these amendments. If recommended by the Planning Commission, the City Council will consider the proposed ordinance at an upcoming meeting.

**RECOMMENDED ACTION:** Adopt Resolution No. 2888

I. **Continued Business—Public Hearing.**

6. **Zone Text Amendment to amend Chapters 15-1 (Title; Interpretations; Definitions); 15-4 (Single Family Residential (R-1) Zone) of Title 15 of the El Segundo Municipal Code regarding definitions and site development standards in such zone. - EA-1262 (ES)**

**Address:** Single Family Residential (R-1) Zone in El Segundo

**Applicant:** Sharyn and Nelson Fisk

**Project Description:** (Environmental Assessment No. EA 1262 and Zone Text amendment 19-09) Amend certain sections in 15-1 (Title; Interpretation; Definitions), and 15-4A (Single Family Residential (R-1) Zone) of the El Segundo Municipal Code regarding definitions and site development standards in such zones.

**RECOMMENDED ACTION:** Continue to further notice.

7. **Variance for an Accessory Dwelling Unit (ADU) - EA-1270 (MB)**

**Project Address:** 404 E. Maple Avenue

**Applicant:** Susan Weidig, represented by Mike Varela

**Project Description:** A request for a Variance to reduce the front yard setback to accommodate the construction of a new Accessory Dwelling Unit (ADU) and two-car garage in the Single-Family Residential (R-1) zone.

**RECOMMENDED ACTION:** Continued to the November 12, 2020, meeting.

**8. Termination of Precise Plan No. 87-01 for Environmental Assessment No. EA-1280 and Precise Plan Amendment No. PPA No. 20-01 (MB)**

**Address:** 2361-2381 E. Rosecrans Avenue

**Applicant:** Toni Reina, representing Continental Development Corporation

**Project Description:** An amendment to terminate Precise Plan No. 87-01 for the development located at 2361-2381 East Rosecrans Avenue (The Terrace at Continental Park) to allow the current underlying Urban Mixed-Use South (MUS) zone development standards and uses to apply to the project site.

**RECOMMENDED ACTION:** Continue to the November 12, 2020, meeting.

- J. Report from Planning and Building Safety Director or designee**
- K. Planning Commissioners' Comments**
- L. Adjournment**—next meeting scheduled for November 12, 2020, 5:30 pm.

POSTED: Venus Wesson  
(Signature)

October 16, 2020  
(Date and time)



**MINUTES OF THE  
EL SEGUNDO VIRTUAL PLANNING COMMISSION  
Regularly Scheduled Meeting**

**September 10, 2020**

**A. Call to Order**

Chair Baldino virtually called the meeting at 5:30 p.m.

**B. Roll Call**

Present via teleconferencing: Chair Baldino  
Present via teleconferencing: Vice Chair Newman  
Present via teleconferencing: Commissioner Wingate  
Present via teleconferencing: Commissioner Hoeschler  
Present via teleconferencing: Commissioner Keldorf

**C. Pledge of Allegiance**

Chair Baldino led the pledge.

**D. Public Communications**

None.

**E. Consent Calendar**

A motion was made to approve items E-1 from the consent calendar.

**E-1. Consideration and possible other action regarding approval of the July 07, 2020 virtual Planning Commission Meeting Minutes.**

**MOTION: Approve items E-1 from the consent calendar.**

**Moved by Commissioner Wingate, second by Vice Chair Newman.**

**Motion carried by roll call by the following vote (5-0):**

**Ayes Baldino, Newman, Wingate, Keldorf, and Hoeschler**

**F. Call items from Consent Calendar**

**E-2. Director's Approval of an Administrative Use Permit No. 20-02. (MB)**

Assistant Planner Maria Baldenegro gave a brief staff report. The owner of Saloon Osaka Restaurant, Soo Jung was present to answer questions from the Commission about the request.

**MOTION: Approve the recommendation to receive and file the Director of Planning and Building Safety's approval of Environmental Assessment No. EA- 1284.**

**Moved by Commissioner Wingate, second by Commissioner Hoeschler.**

**Motion carried by roll call by the following vote (5-0):**  
**Ayes**            **Baldino, Newman, Wingate, Hoeschler, and Keldorf**

**G. Written Communications** (other than what is included in Agenda packets)  
None.

**H. New Business—Public Hearing**

3. **Zone Text Amendment to amend Chapters 15-1 (Title; Interpretations; Definitions); 15-4 (Single Family Residential (R-1) Zone) of Title 15 of the El Segundo Municipal Code regarding definitions and site development standards in such zone. (EA-1262)**

**MOTION:**        **Continue item to September 24, 2020 meeting.**

**Moved by Commissioner Hoeschler, second by Commissioner Keldorf.**

**Motion carried by roll call by the following vote (5-0):**  
**Ayes:**            **Baldino, Newman, Wingate, Hoeschler, and Keldorf**

4. **Conditional Use Permit for New Wireless Communications Facility (EA-1285)**  
**Project Address:** 324 W. El Segundo Blvd.

**Applicant:**     Paul Kim, Eukon Group

5. **Conditional Use Permit for New Wireless Communications Facility (EA-1286)**  
**Project Address:** 324 W. El Segundo Blvd.

**Applicant:**     Paul Kim, Eukon Group

Planning Manager Gregg McClain gave a brief staff report. A proposed 45 foot monopole is located within the Chevron El Segundo Refinery and will remain largely unseen to the public. The nearest publicly accessible road is El Segundo Boulevard, over 400 feet from the monopole's proposed location. A 65 foot monopole is proposed to be located on a different parcel within the refinery approximately 2,000 feet from El Segundo Boulevard.

Paul Kim, Eukon Group, the applicant was available virtually for questions.

Mr. Hoeschler inquired will the pole being only limited to Verizon user only.

Mr. Kim stated that for the time being it is only limited to Verizon user with the potential to have other carriers.

**Open Public Communications**

None.

**Closed Public Communications**

**MOTION: Motion covers both resolutions and the amendment:**

- Approved, Agenda Items 4 and Agenda Item 5 that the Planning Commission adopted both resolutions.

**Moved by Commissioner Hoeschler, second by Vice Chair Newman.**

**Motion carried by the following vote (5-0):**

**Ayes Baldino, Newman, Wingate, Keldorf, Hoeschler**

- Planning Manager Gregg McClain request to amend the motion to reflect both agenda item for EA-1285 and EA-1286 conditional use permit number 20-01 and 20-02.
- Approve PC Resolution 2885 to Adopt resolutions approving conditional use permit 20-01 and 20-02 for new wireless communication facilities at 324 W. El Segundo Boulevard with conditions.
- Approve PC Resolution 2886 to Adopt resolutions approving conditional use permit 20-01 and 20-02 for new wireless communication facilities at 324 W. El Segundo Boulevard with conditions.

**Second Moved by Commissioner Hoeschler, second by Vice Chair Newman.**

**Second Motion carried by the following vote (5-0):**

**Ayes Baldino, Newman, Wingate, Keldorf, Hoeschler**

**I. Continued Business—Public Hearing.**

**6. Termination of Precise Plan No. 87-01 for Environmental Assessment No. EA-1280 and Precise Plan Amendment No. PPA No. 20-01**

**Address:** 2361-2381 E. Rosecrans Avenue

**Applicant:** Toni Reina, representing Continental Development Corporation

**MOTION:** Continue item to September 24, 2020 meeting.

**Moved by Commissioner Wingate, second by Commissioner Keldorf.**

**Motion carried by roll call by the following vote (5-0):**

**Ayes: Baldino, Newman, Wingate, Hoeschler, and Keldorf**

**J. Report from Planning and Building Safety Director or designee**

None.



**K. Planning Commissioners' Comments**

Commissioner Wingate ask staff for an update regarding the Accessory Dwelling Unit (ADU) on Standard Street.

Mr. McClain addressed the public about the ADU on Standard Street inquires. He provide the public with this his email address for any additional question or concerns at gmclain@elsegundo.org.

Mr. Baldino asked staff to provide a list of permitted, square footage, counts of ADU's to date.

**L. Adjournment**—the meeting adjourned at 5:55 PM. The next meeting scheduled for September 24, 2020 at 5:30 pm.

PASSED AND APPROVED ON THIS 10 DAY OF September 2020.

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Sam Lee, Director of Planning and Building Safety

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Ryan Baldino, Planning Commission Chair



**MINUTES OF THE  
EL SEGUNDO VIRTUAL PLANNING COMMISSION  
Regularly Scheduled Meeting**

**August 27, 2020**

**A. Call to Order**

Chair Baldino virtually called the meeting at 5:30 p.m.

**B. Roll Call**

Present via teleconferencing: Chair Baldino  
Present via teleconferencing: Vice Chair Newman  
Present via teleconferencing: Commissioner Wingate  
Present via teleconferencing: Commissioner Hoeschler  
Present via teleconferencing: Commissioner Keldorf

**C. Pledge of Allegiance**

Chair Baldino led the pledge.

**D. Public Communications**

None.

**E. Consent Calendar**

A motion was made to approve items E-1 and E-4 from the consent calendar.

**E-1. Consideration and possible other action regarding approval of the July 7, 2020, virtual Planning Commission Meeting Minutes.**

**E-2. Administrative Use Permit for a Wireless Communications Facility. (MB)**

**MOTION: Approve items E-1 and E-4 from the consent calendar.**

**Moved by Commissioner Wingate, second by Vice Chair Newman.**

**Motion carried by roll call by the following vote (5-0):  
Ayes Baldino, Newman, Wingate, Keldorf, Hoeschler**

**F. Call items from Consent Calendar**

None.

**G. Written Communications (other than what is included in Agenda packets)**

None.

**H. New Business—Public Hearing**

**3. Termination of Precise Plan No. 87-01 for Environmental Assessment No. EA-1280 and Precise Plan Amendment No. PPA No. 20-01. (MB)**

**Project Description:** An amendment to terminate Precise Plan No. 87-01 for the development located at 2361-2381 East Rosecrans Avenue (The Terrace at Continental Park) to allow the current underlying Urban Mixed-Use South (MUS) zone development standards and uses to apply to the project site.

**MOTION:** Continue item to September 9, 2020, meeting.

Moved by Chair Baldino, second by Commissioner Wingate.

Motion carried by roll call by the following vote (5-0):  
Ayes: Baldino, Newman, Wingate, Hoeschler, Keldorf

**I. Continued Business—Public Hearing.**

None.

**J. Report from Planning and Building Safety Director or designee**

Director Sam Lee mentioned that Council has given him the direction to release a formal press release for a RFQ for Affordable Housing to be released on September 1, 2020. He also mentioned that Council have recently asked PBS to go out for an RFP in October 2020; to hire a Planning Consultant for the Downtown Specific Plan project. He also mentioned that a later on this year a RFQ to be released for a public-private partnership developer for the Civic Center. Mr. Lee informed everyone that today is Assistant Planner Brenna Wengert last day with El Segundo, she going to the City of Palos Verdes Estates.

**K. Upcoming Agenda Items and Schedule**

No updates.

**M. Planning Commissioners' Comments**

Mr. Hoeschler and Vice Chair Newman stated that they have been working with the Gateway Committee for arts and cultural and that the Mr. Hoeschler will be presenting to the Council on September 15<sup>th</sup>. Commissioner Keldorf shared that she is now part of the Los Angeles County Affordable Housing Committee.

**L. Adjournment—the meeting adjourned at 6:00 PM. The next meeting scheduled for September 24, 2020 at 5:30 pm .**

PASSED AND APPROVED ON THIS 10 DAY OF September 2020.

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Sam Lee, Director of Planning and Building Safety

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Ryan Baldino, Planning Commission Chair

**TITLE:**

Zoning Code Interpretation to determine that veterinary clinics without overnight boarding are a similar use to medical offices in various commercial zones, the El Segundo South Campus Specific Plan, the Corporate Campus Specific Plan, and the Downtown Specific Plan.

Case numbers: Environmental Assessment No. EA 1293 and Administrative Determination No. AD 20-01


**RECOMMENDATION:**


Receive and file Zoning Code Interpretation (AD 20-01)

**DISCUSSION:**

On October 15, 2020, pursuant to El Segundo Municipal Code (ESMC) Chapter 15-22 (Administrative Determinations), the Director of Planning and Building Safety made a zoning code interpretation that veterinary clinics without overnight boarding are similar to medical office uses and, thus, permitted in commercial zones citywide and commercial zoning districts in various Specific Plans. The attached zoning code interpretation provides a detailed description and the reasoning for the Director's interpretation.

**PREPARED BY:** Paul Samaras, Principal Planner 

**REVIEWED BY:** Eduardo Schonborn, Principal Planner 

**APPROVED BY:** Sam Lee, Director of Planning and Building Safety 

**ATTACHED SUPPORTING DOCUMENTS:**

Zoning Code Interpretation (AD 20-01)

## ZONING CODE INTERPRETATION

TO: Planning staff

FROM: Paul Samaras, Principal Planner

DATE: October 15, 2020

SUBJECT: Veterinary Clinic – El Segundo South Campus (ESSC) Specific Plan

APPROVED: \_\_\_\_\_  
Sam Lee, Director of Development Services

### Case in question

A potential tenant desires to open a veterinary clinic without overnight boarding at 400 East El Segundo Boulevard in the ESSC Specific Plan, in its Commercial/Office Mixed Use (CMU) district. The CMU district is intended primarily for office and retail uses, because of its frontage along El Segundo Boulevard. Veterinary clinics are not listed as a permitted use in the CMU district. However, this district permits General Offices, including medical and dental. Medical offices are also permitted in other commercial zones citywide.

Medical offices are defined in the El Segundo Municipal Code (ESMC) as follows:

*OFFICE, MEDICAL-DENTAL: A building or group of buildings designed for the use of, and occupied and used by, physicians, chiropractors, acupuncturists, physical therapists, and dentists and others engaged professionally in such healing arts for human beings as are recognized by the laws of the State, including such accessory uses as the installation and use of therapeutic equipment, X-ray equipment or laboratories, chemical, biochemical, and biological laboratories used as direct accessories to the medical-dental professions; dental laboratories including facilities for the making of dentures on prescription; and pharmacies limited to the retail dispensing of pharmaceuticals and sickroom supplies (but not room or orthopedic equipment); provided there shall be no exterior display windows or signs pertaining to such accessory uses other than a directory sign.*

ESMC 15-22-2 allows for the Director to determine if a use is “sufficiently similar to a listed use in the particular zone to justify a finding that it should be deemed... a permitted use... in one or more zones. The Director must determine that the following conditions exist to make an interpretation that would allow a veterinary clinic without overnight boarding in other zones:

1. The proposed use is consistent with the purpose of Title 15;  
The purpose of Title 15 is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. A veterinary clinic is consistent with this purpose in that it directly serves the health of animals and provides a needed service to community. The operation of a veterinary clinic without overnight boarding does not have detrimental impacts and is, thus, consistent with providing an orderly and planned use of land resources.
  
2. The proposed use and its operation are compatible with the uses allowed in the zone; and  
A veterinary clinic will operate in a manner consistent with the operations of service and office uses permitted in the CMU district of the ESSC Specific Plan and in other commercial zones citywide. The lack of overnight boarding will ensure that it operates in a manner compatible with and have no detrimental impacts that affect other permitted uses in the CMU district of the ESSC Specific Plan and other commercial zones citywide.
  
3. The proposed use is similar to one or more uses in the zone.  
A veterinary clinic without overnight boarding is similar to medical offices, which are permitted in the CMU district of the ESSC Specific Plan and other commercial zones citywide. Both uses engage in the provision of healthcare services and employ qualified professional in the respective fields, the only difference being the patients that are cared for.

#### Interpretation

Veterinary clinics without overnight boarding are considered similar to medical office uses. Therefore, veterinary clinics without overnight boarding are permitted uses in the CMU district of the ESSC Specific Plan and other commercial zones citywide where medical office uses are permitted, including the C-RS, C-2, C-3, C-4, CO, MU-N, MU-S zones, the Corporate Campus Specific Plan, and the Downtown Specific Plan.

**TITLE:**

A Community Benefits Plan No. CBP 20-01 to permit exceptions to height and floor area ratio standards, pursuant to Smoky Hollow Specific Plan, and Environmental Assessment No. EA-1242 related to construction of three new office buildings measuring a total of 242,878 square feet at 1521 East Grand Avenue and 233 Kansas Street, in the Smoky Hollow-East (SH-E) district. (The Catalyst Project)

Applicant: William Messori of Griffin Capital

The potential environmental impacts identified in the Smoky Hollow Specific Plan Program EIR were compared to the proposed Project to determine whether the project fits within the scope of the program EIR. The analyses (Attachment No. 4) conclude that the proposed Catalyst project is consistent with the SHSP program EIR, is within the scope of the SHSP EIR and that no subsequent EIR is required per CEQA Guidelines Section 15168(c)(2). A Notice of Determination (NOD) will be filed with the County Clerk and State Clearinghouse to fully document this CEQA compliance action.

**DISCUSSION AND RECOMMENDATION:**

Staff is in discussions with the applicant regarding potential conditions of approval. As such, Staff recommends continuing this item to November 12, 2020, Planning Commission meeting.

**PREPARED BY:** Ethan Edwards, Contract Planner 

**REVIEWED BY:** Eduardo Schonborn, Principal Planner 

**APPROVED BY:** Sam Lee, Director of Planning and Building Safety 

**ATTACHED SUPPORTING DOCUMENTS:**

None



**TITLE:**

Amendment of Development Agreement No. DA 03-01 (8<sup>th</sup> Amendment) and conditions of approval for the Plaza El Segundo and The Point development project to modify the limitations on “Sales Tax Generating Uses” and “Non-Sales Tax Generating Uses.”

Case numbers: Environmental Assessment No. EA-1279 and Development Agreement No. DA 20-01

**RECOMMENDATION:**

1. Adopt resolution No. 2888 recommending City Council approval of the proposed amendments.

**BACKGROUND:****Site description**

The project site consists of the Plaza El Segundo and The Point shopping centers generally located at the northeast corner of Pacific Coast Highway and Rosecrans Avenue. The two shopping centers combined occupy 51.7 acres and contain a net building area of approximately 501,000 square feet. Current entitlements for the property permit a building area of up to 517,000 square feet. The current uses on the property are primarily retail sales and restaurants with a limited amount of general and medical office uses. The current entitlements for the property limit non-retail (non-sales tax generating uses) to a maximum of 20% of the building area at Plaza El Segundo and 35% at The Point. Currently, the percentage of non-retail uses at Plaza el Segundo is 8.1% and at the Point it is 31.4%.



**Figure 1**  
**Aerial view of site**



**Development proposal**

The applicant has requested an amendment to the Development Agreement and Conditions of Approval for the subject property to allow a higher percentage of non-sales tax generating uses for both Plaza El Segundo and The Point. The following table lists the current and proposed limits on non-sales tax generating uses.

**Table 1**  
**Sales tax vs. non-sales tax generating uses**

<b>Plaza El Segundo/Works (Phase 1A)</b>	<b>Use Area</b>	<b>Current actual %</b>	<b>Allowed %</b>	<b>Proposed</b>
Sales Tax Uses	329,351	85.0%	80%	60%
Non-Sales Tax	31,429	8.1%	20%	40%
Vacant	26,607	6.9%		

<b>The Point (Phase 1B)</b>	<b>Use Area</b>	<b>Current actual %</b>	<b>Allowed %</b>	
Sales Tax Uses	73,110	64.3%	65%	60%
Non-Sales Tax	35,649	31.4%	35%	40%
Vacant	4,859	4.3%		

\*the current actual figures are current as of February 2020.

## **Previous approvals and entitlements**

Plaza El Segundo and The Point were first developed as retail centers that would generate sales tax revenue for the City and diversify its revenue sources. As a result, the permitted uses in the C-4 zone, where the centers are located, included primarily retail sales uses. Other uses, such as banks, offices, fitness centers, that did not generate sales tax revenue were strictly limited or prohibited. However, as internet sales took off in the last decade, the retail sector began to suffer. As a result, in 2017, the property owner approached the City and requested changes to the project entitlements, including a zone text amendment, to permit more non-retail uses in the C-4 zone and, thus, give the property owner more flexibility in filling vacancies. On October 3, 2017, the City Council adopted ordinance No. 1556, which significantly revised the permitted uses in the C-4 zone (Exhibit No. 1). In return for granting this flexibility, and in order to maintain sales tax revenue, the City imposed a maximum limit on non-sales tax generating uses, which is shown in the table above. Since 2017, the retail sector has continued to weaken, as internet sales continue to grow. Furthermore, this year the COVID-19 pandemic and the related economic crisis have exacerbated the retail sector's problems. So, the applicant approached the City again with the current request to modify the limits on non-sales tax generating uses at the Plaza El Segundo and The Point shopping centers.

## **DISCUSSION:**

### **Conditions at the shopping centers**

As indicated in Table No. 1 above, as of February 2020, the vacancy rate at Plaza El Segundo is 6.9% and at The Point it is 4.3%. At Plaza El Segundo, vacancies have significantly affected for years the two smaller areas of the center, The Works and The Collection (see Figure No. 1). At The Point, some tenant spaces remain vacant since its original construction in 2014. In addition, the applicant has indicated to the City that some current tenants have had difficulties in making their lease payments. And, this situation has been exacerbated by the COVID-19 related economic downturn.

In spite of these trends, the applicant has invested a lot of energy and money into repositioning the center. Last year, the applicant completed construction on some major physical improvements in the area called The Works. The improvements included new landscaping, hardscape, various pedestrian improvements, and building façade improvements. In the Collection, the applicant is currently completing tenant improvements to convert one of the multi-tenant retail buildings into a single-tenant office building. The improvements also include the addition of a substantial outdoor gathering space and landscaping for the future office tenants.

In addition to the above physical improvements and conversion of retail space into office, the shopping centers remain primarily retail in nature and the applicant has attracted significant retail tenants in the last few years, such as Nordstrom Rack and Ulta.

## **Applicant's fiscal and economic analysis**

In support of the request to change the use mix at the shopping centers, the applicant submitted a fiscal impact & economic benefit analysis report prepared by Kosmont Companies in 2019 (Exhibit No. 2). The report discusses the recent local and national market trends in the retail sector. Locally, since the "Great Recession" a decade ago the retail sector has seen slow growth and the City's sales tax revenues have decreased from \$12.8 million in 2008 to \$10.6 million in 2018. Nationally, the retail market has been affected significantly by the growth of the digital economy and e-Commerce, with digital retail sales displacing brick and mortar retail sales. Specifically, in 2000 online sales comprised 0.8% of the total retail sales market. By 2018, 9.7% of all retail sales were conducted online. This steady growth pattern is projected by economists to continue in the years ahead. As a result, the rate of retail store closures will continue to increase and, thus, property owners (including shopping centers) will find it increasingly difficult to fill vacancies.

In response to this decline in demand for traditional retail, shopping centers have shifted their approach and have increasingly sought to diversify their tenants and improve the customers' experience. Research has shown that customers no longer view stores as a place to buy merchandise. Rather, they view stores and shopping centers as a "place" where they can have a bigger experience. Therefore, modern retailers seek to:

- Present an integrated shopping environment in a diverse setting (such as office, work, transit, or residential nearby);
- Embrace omni-channeling by developing a digital/physical presence;
- Redefine platforms from simply selling goods to solving customers' problems.

Many malls are redeveloping to achieve the above objectives and the Kosmont report discusses several redevelopment examples, such as the Westside Pavillion, the Baldwin Hills Crenshaw Plaza, and others.

## **City's peer review**

City staff engaged Keyser Marston and Associates (KMA) to peer review the Kosmont analysis, and KMA largely confirmed and agreed with the analysis summarized above. In fact, the City has been aware of the local and national retail trends, as well as the move toward mixed-use retail centers, or "lifestyle centers" as they are also called. The previous development agreement amendment in 2017, was approved primarily due to the above market trends. However, the percentage restriction on non-sales tax generating uses is still hampering the applicant's ability to find viable tenants and provide an appropriate mix of uses at the subject shopping centers.



**Conclusion/Recommendation**

Based on the above discussion, staff concludes that without changes, the shopping centers will continue to have difficulties with filling vacancies and the City's sales tax revenue will continue to shrink. Permitting additional retail space to convert to other uses help fill vacancies and maintain a healthy and vibrant shopping center that offers services and employment to the community and more stable tax revenue to the City. Therefore, staff recommends that the Planning Commission adopt resolution No. 2888 recommending approval of the applicant's request.

**ENVIRONMENTAL CONSIDERATION:**

The project is categorically exempt from environmental review pursuant to California Code of Regulations, Title 14 ("CEQA guidelines") § 15061(b)(3) – the common sense exemption as it can be seen with certainty that there will not be an impact, because no substantial construction and no addition of building area is being proposed; the proposed change to the mix of uses will maintain the total daily and peak AM and PM traffic trips generated by the shopping center below the levels estimated previously; and no other impact areas should be affected; and CEQA Guidelines § 15305 – the Class 5 exemption for minor alterations in land use limitations as office and other non-retail uses are already allowed in the C-4 zone and the only change involves the ratio of office and other non-retail uses to retail uses.

**CITY STRATEGIC PLAN COMPLIANCE:**

Goal 1: Champion Economic Development and Fiscal Sustainability

Objective A: El Segundo promotes economic growth and vitality for businesses and the community

**PREPARED BY:** Paul Samaras, Principal Planner

**REVIEWED BY:** Eduardo Schonborn, Principal Planner

**APPROVED BY:** Sam Lee, Director of Planning and Building Safety

**ATTACHED SUPPORTING DOCUMENTS:**

1. Vicinity map
2. Permitted uses in C-4 Zone
3. Kosmont report
4. Resolution No. 2888
5. Draft ordinance
6. Development agreement





**15-5G-2: PERMITTED USES:**

The following uses are permitted in the C-4 Zone:

- A. Animal hospitals and veterinary services.
- B. Day spas.
- C. Daycare centers.
- D. Farmers' market.
- E. Financial institutions.
- F. Fitness centers (indoors only).
- G. General offices.
- H. Indoor sale of automobiles, motorcycles, and motor scooters along with the sale of accessories and parts as an accessory use. No outdoor display or storage shall be allowed and no on site repair or maintenance shall be allowed.
- I. Medical and dental offices, including health and/or skin care services that are limited to noninvasive and/or minimally invasive cosmetic medical procedures that may be rendered by licensed healthcare professionals.
- J. Multi-media offices.
- K. Personal services.
- L. Public assembly/assembly halls, including theaters and museums.
- M. Recreational facilities.
- N. Restaurants and cafes.
- O. Retail sales uses (excluding off site alcohol sales).
- P. Other similar uses approved by the Director, as provided by chapter 22 of this title.

**15-5G-3: PERMITTED ACCESSORY USES:**

- A. Any use customarily incidental to a permitted use.
- B. Cafes.
- C. Drive-through or walk-up services, including financial operations, but excluding drive-through restaurants.
- D. Open storage of commodities sold or utilized on the premises.
- E. Parking structures and surface parking lots.
- F. Other similar uses approved by the Director of Planning and Building Safety, as provided by chapter 22 of this title.

**15-5G-4: USES SUBJECT TO ADMINISTRATIVE USE PERMIT:**

- A. Off site sale of alcohol at retail establishments.
- B. Permitted uses conducted in a trailer, shipping container or similar structure.
- C. The on site sale and consumption of alcohol at restaurants and delicatessens.
- D. Other similar uses approved by the Director, as provided by chapter 22 of this title.

**15-5G-5: USES SUBJECT TO CONDITIONAL USE PERMIT:**

The following uses are allowed subject to obtaining a conditional use permit, as provided by chapter 23 of this title:

- A. Massage establishments that meet the requirements of [title 4, chapter 10](#) of this Code and any other requirements imposed by law.
- B. Micro-brewery with a tasting room and/or dining.
- C. On site sale and consumption of alcohol at bars and wine tasting rooms.
- D. Other similar uses approved by the Director, as provided by chapter 23 of this title.



## PLAZA EL SEGUNDO

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### Fiscal Impact & Economic Benefit Analysis

Prepared For:  
Federal Realty



Prepared By:



1601 N. Sepulveda Blvd. #382  
Manhattan Beach, CA 90266  
[www.kosmont.com](http://www.kosmont.com)

**August 2019**



August 15, 2019

Mr. Jeff Kreshek  
Sr. Vice President - Leasing  
Federal Realty Investment Trust  
860 S. Sepulveda Blvd. Suite 105  
El Segundo, CA 90245

**RE: Plaza El Segundo Market, Fiscal and Economic Benefit Analysis**

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”) was retained to generate a specific independent market and fiscal analysis as related to Plaza El Segundo. Kosmont is pleased to present this **draft** Retail Market, Fiscal and Economic Benefit Analysis (“Analysis”) for a proposed redevelopment plan for Plaza El Segundo (“Project”) located on Sepulveda Blvd. in El Segundo, California.

Federal Realty (“Developer”) is seeking entitlements from the City of El Segundo (“City”) to redevelop The Collection retail component of Plaza El Segundo into a creative office campus. As part of the entitlement process, the City requested an independent analysis to examine retail market trends and evaluate fiscal and economic impacts of the Project.

The proposed entitlement will allow up to 30% non-sales tax generating uses. These elements, as well as additional improvements are further described in the Analysis.

Kosmont reviewed historic sales data for most of the retail tenants at Plaza El Segundo, as well as researched retail sales by major tenant type, and employment ratios for creative office tenants to estimate El Segundo sales taxes and business license taxes. The fiscal revenues were derived from estimating the various taxes associated with the Project including property taxes (secured and unsecured), business taxes, franchise taxes, onsite and off-site retail sales taxes.

The retail components of Plaza El Segundo have been suffering from loss of tenants due to increased customer use of online channels for purchasing commodities such as clothing, shoes and an array of soft goods. The Collection has been particularly impacted by the transition of consumer activity to digital platforms. Office uses typically bring daily activity in the form of work place visitation, thereby providing a pool of consumers that can augment sales activity in the adjacent retail spaces.

If repositioning to office uses is not allowed, there is a significant risk that the larger Plaza El Segundo will suffer further declines in retail sales, as vacant stores create a less attractive and negative shopping environment.

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## 1.0 Executive Summary

El Segundo’s future faces significant economic challenges, as the digital economy converts the lifestyles and social patterns of society. Today’s consumers increasingly utilize online websites for the purchasing of clothes, shoes, and other soft goods that impact major shopping centers. As this competition increases, retail chains continue to withdraw from traditional retail spaces, impacting even the most vibrant of communities and retail centers. The result of these forces is the need for the public and private sector to rethink traditional approaches to retail land uses.

Today’s consumers, with their increased use of media and digital communication, no longer seek collections of retail stores. Instead, consumers increasingly desire gathering places with stores, restaurants and entertainment venues. Taking stock of these trends, it is apparent that today’s economic forces demand approaches to land use and development that involve a diversification of uses, as well as concepts for amenities and attractions that help centers capture consumer trips and thus “sales” to retain vibrant commercial districts.

Client plans to convert the Collection’s retail/restaurant space into creative office, similar to the Elevon project in El Segundo. Kosmont estimates total office employment of 4 employees per 1,000 square feet, generating 212 white collar/creative employees onsite.

### *Fiscal Benefits*

The proposed reconfiguration to partial office use will improve the economic health of Plaza El Segundo, and despite the loss of 53,000 SF of retail space, the proposed reconfiguration will likely result in \$201 million in total annual retail sales following re-leasing in 2021. This is equal to the current level of retail sales and 5% above the 2017 sales volume, which means no net loss of revenues to the City’s General Fund, as shown in the summary table below. Following office conversion, Kosmont estimates the new office employees would generate approximately \$2 million in additional annual retail sales at local retailers, according to surveys done by ICSC. In addition to retail sales taxes, the Project will generate additional property taxes and business license taxes from the office tenancy, which Kosmont estimates at almost \$50,000 per year.

**Plaza El Segundo  
 Retail Sales (000’s)**

	<b>PES (A)</b>	<b>The Works (B)</b>	<b>The Collection (C)</b>	<b>The Center</b>	<b>Other</b>	<b>City Total</b>
<b>2017</b>	\$152,500	\$14,300	\$23,200	\$191,000	--	\$191,000
<b>2019</b>	171,000	11,300	13,000	195,300	6,000	201,300
<b>2021</b>	174,600	19,500	--	193,500	8,000	201,500

Source: Federal Realty / Kosmont Companies

Note: The Center represents the subtotal of Column A, B & C. The Other column represents indirect offsite sales tax generated.

Since Client also owns adjacent The Point shopping center, they have been able to retain several major retailers wanting to relocate within the City. Lululemon was a tenant at the Collection and was seeking a better location with more visibility. Client was able to accommodate them at The Point in 2018, which is reflected in the sales estimate within the Other category. In 2018, Client was also able to replace Cost Plus and attract Nordstrom Rack in the Big Box section, as well as replace Chase Bank and Sammy’s and attract Ulta within the Pads, both of which are projected to generate five times greater retail sales.

The Works is another 53,000 square foot complex, which had almost 25% vacancy at the end of 2017. Barry’s Boot Camp and Soom Soom are new leases totaling 7,500 square feet, leaving approximately 9,000 square feet vacant. Kosmont estimated those spaces in the recently renovated center will generate between \$300 and \$400 per square foot in annual sales.

*Economic Benefits*

Redevelopment will bring significant economic benefits to the City. Buildout is estimated to require \$18 million in new capital investment and provide over 90 FTE jobs on site, with a total of 157 jobs countywide (\$13 million in wages), including indirect and induced jobs.

*Exhibit 1.2: Economic Benefits from Construction*

<b>Economic Benefits from Construction (One-Time / Short-Term)</b>		
	<b>Employment</b>	<b>Labor Income</b>
Direct (On-Site)	90	\$9,000,000
Indirect	32	\$1,900,000
Induced	35	\$2,100,000
<b>Total Countywide</b>	<b>157</b>	<b>\$13,000,000</b>

Source: IMPLAN, Kosmont Companies

At completion, the office is projected to result in approximately 231 new permanent jobs, and approximately \$20.3 million in labor income.

*Exhibit 1.3: Economic Benefits During Operation*

<b>Economic Benefits from Ongoing Operation (Annual)</b>		
	<b>Employment</b>	<b>Labor Income</b>
Direct (On-Site)	212	\$19,080,000
Indirect	9	\$591,000
Induced	10	\$588,000
<b>Total Countywide</b>	<b>231</b>	<b>\$20,259,000</b>

Source: IMPLAN, Kosmont Companies

### *Local Examples of Retail Repositioning*

Many communities and shopping center owners have had to adapt to the new realities of retail. With the growing presence of online shopping, communities are facing store closures and a modification of retail brick-and-mortar formats: older modes such as big-box stores and single-use malls are being replaced by fast online distribution and place-based experiential consumption. These changes force new approaches to land use; communities focus on capturing trips and driving sales in vibrant commercial districts centered on experiential and integrated shopping environments that blend uses.

This report examines three malls in Southern California in the process of redeveloping their sites into mixed or “blended-use” developments by incorporating office, hotel, and residential uses:

- ❖ The **Westside Pavilion** first opened in 1985 and became one of the major shopping malls in West Los Angeles, with multiple anchors and a movie theater. By 2019, after losing its anchor tenants in recent years, the mall closed. Current plans for the mall will transform the site into a blended-use creative office complex centered around the primary office tenant, Google.
- ❖ The **Baldwin Hills Crenshaw Plaza** was first opened in 1947 and has served as a key commercial center in central Los Angeles ever since. In June, the Los Angeles City Council approved a redevelopment plan to create a mixed-use entertainment center.
- ❖ The **Laguna Hills Mall** is being reconfigured as a blended-use redevelopment project in Orange County, due to the loss of all major anchor tenants. The new project, known as Five Lagnas, will feature a mix of apartments, office, retail, restaurants, and other entertainment uses. Recently released plans call for additional apartments and office square footages, as well as a boutique hotel and 3-acre park.

With a loss of over 7,000 store locations in the US so far in 2019<sup>1</sup> and some experts estimating up to 40% of shopping malls closing within 3-5 years<sup>2</sup>, shopping center owners will struggle to find new tenants for vacant spaces. This shows the critical importance of investing in a strategy to diversify the types of land uses, with offices, restaurants, and retail, all within a unified site.

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<sup>1</sup> <https://coresight.com/research/weekly-us-and-uk-store-openings-and-closures-tracker-2019-week-28/>

<sup>2</sup> Chris Calott, professor of architecture and real estate development, UC Berkeley

## 2.0 Project Description

### 2.1 Location

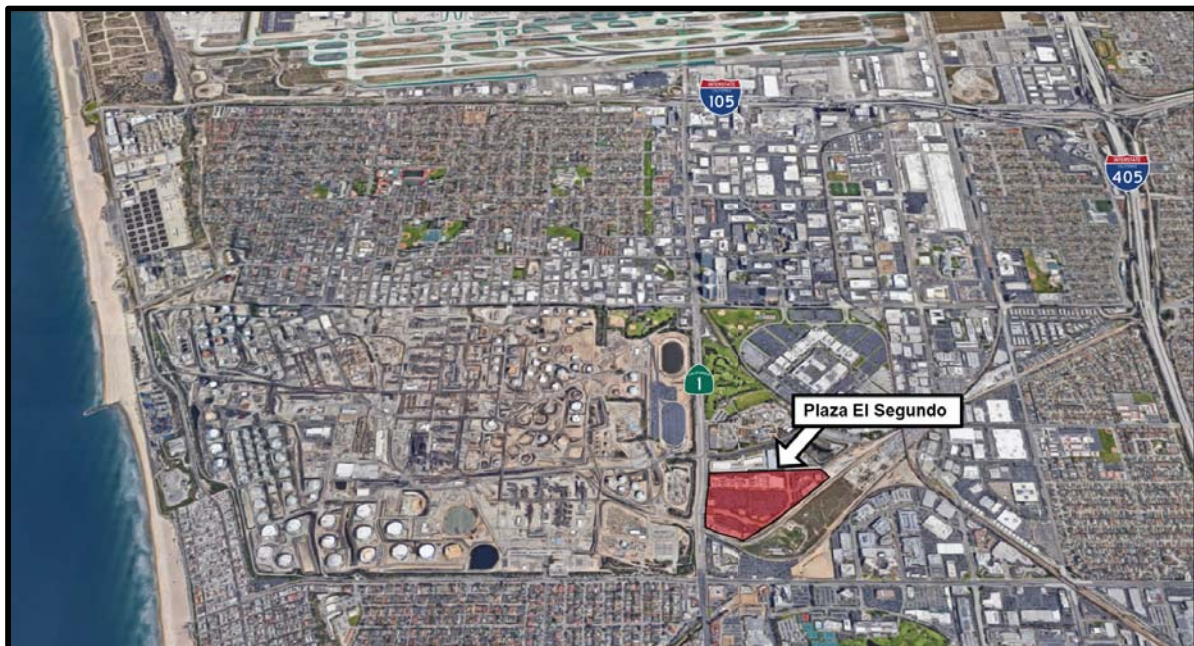
Incorporated in 1917, the City of El Segundo is strategically located adjacent to Los Angeles International Airport, along the coast in Los Angeles County. The City has a 2019 estimated population of 17,288 individuals, with a median age of 40.8 years and median household income of \$102,103.

Located between LAX and Manhattan Beach, El Segundo is known for being home to a variety of aviation and petroleum-related industries, including Raytheon, Northrop Grumman, Boeing, and the Chevron oil refinery. The city's location, which also offers close proximity to high quality residential neighborhoods in the South Bay, as well as easy access to I-405 Freeway, makes it an excellent office location.

#### *Project Site*

As shown in Exhibit 2.1.1, The Center is located on the southern edge of the City, just northeast of the intersection of Rosecrans and Pacific Coast Highway. The Center consists of three distinct shopping areas: Plaza El Segundo, The Works and The Collection. There are half dozen big box/anchor stores and numerous small pads with a current gross leasable area of approximately 380,000 square feet in the main area (A) identified as Plaza El Segundo. (See Exhibit 2.1.2)

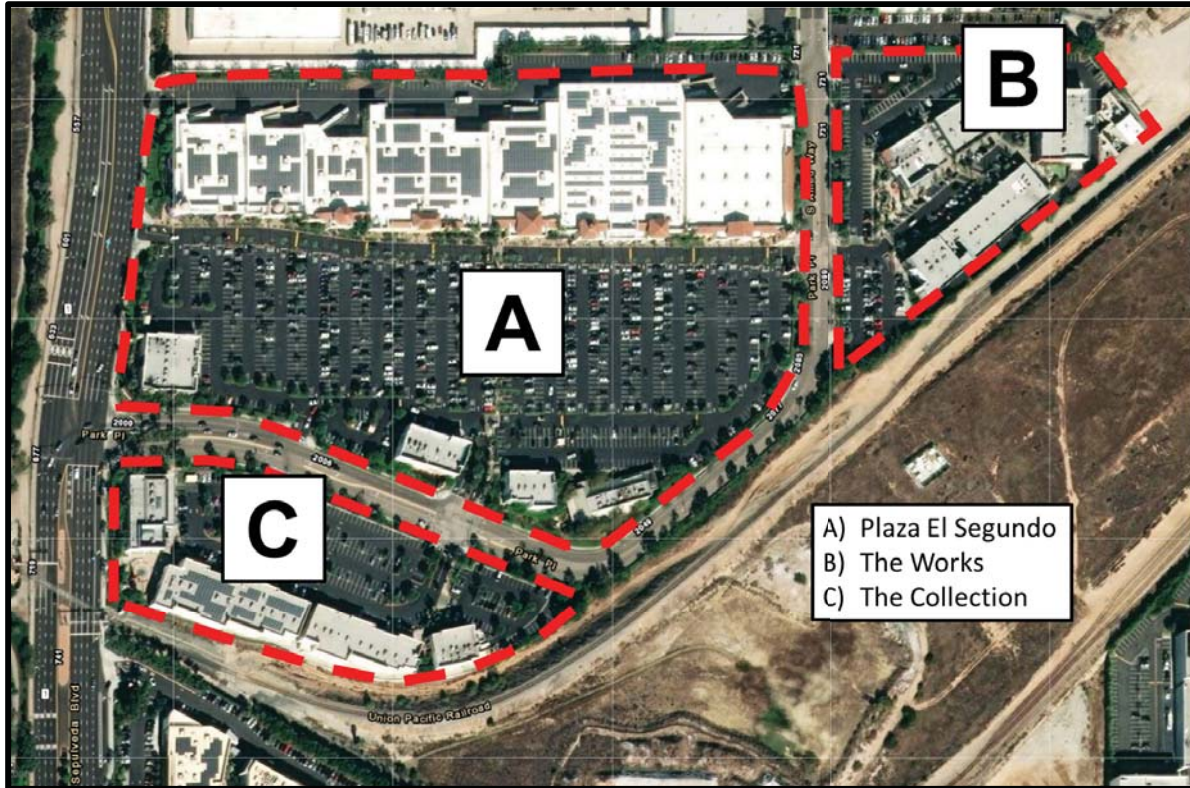
#### *Exhibit 2.1.1: Local Map*



Source: Google, 2019



Exhibit 2.1.2: Project Site Map



Source: ESRI, 2019

## 3.0 Retail Market Trends

### 3.1 Local Retail Trends

El Segundo has seen slow retail growth since the “Great Recession” a decade ago. In 2008, the City received \$12.8 million in sales tax. Since then, the City has seen declining sales tax collections. In 2018, City sales tax collections totaled \$10.6 million; as noted in the City’s 2018 CAFR, the sales tax collections decrease of \$1.6 million between 2017 and 2018 was “due to the nationwide trend to E-Commerce.”

Modern consumers use online websites such as Amazon.com for purchasing clothing, shoes, electronics, appliances, and more. Because of this, even the most economically viable communities are susceptible to the closure of major shopping centers and the loss of sales tax revenues that accompany them.

Countywide, retail vacancy rates have slowly increased over the past three years rising from 4.1% in Q3 2016 to 4.4% so far in Q3 2019, with market rents per SF rising over the same timespan from \$30.74 per SF in Q3 2016 to \$32.91 per square foot in Q3 2019.<sup>3</sup>

### 3.2 National Retail Trends

El Segundo, like most cities, will face many unavoidable challenges as the global retail market is affected by the continued growth of the digital economy. In order to remain competitive in this evolving retail environment, the City will need to recognize and understand how global trends continue to shape the new retail economy. These recent trends include:

- big-box format shrinking and closing;
- blending uses creating places, rather than spaces;
- millennial consumers demanding experiential shopping;
- firms diversifying sales through omni-channeling strategies;
- e-Commerce reshaping distribution and industrial spaces; and,
- retailers focusing on social media storytelling.

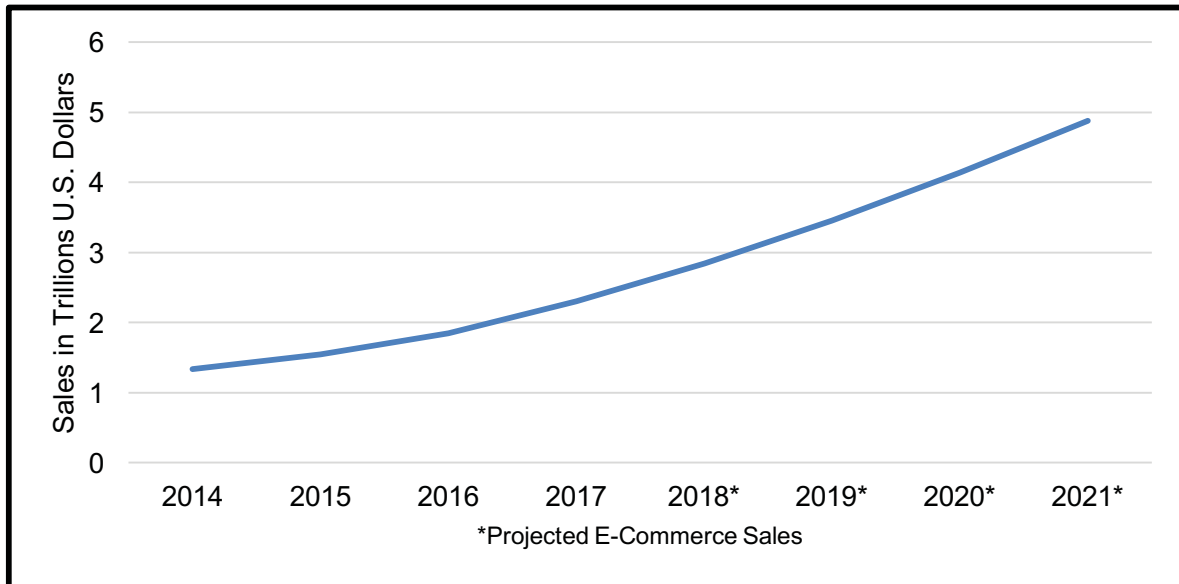
Foremost among these trends has been the growth of e-Commerce sales within the retail industry. As seen in Exhibit 3.2.1, E-Commerce sales grew by 70% from 2014 to 2017, and are projected to grow within the next four years.

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<sup>3</sup> Costar Market Data, Los Angeles County. Accessed July 2019.



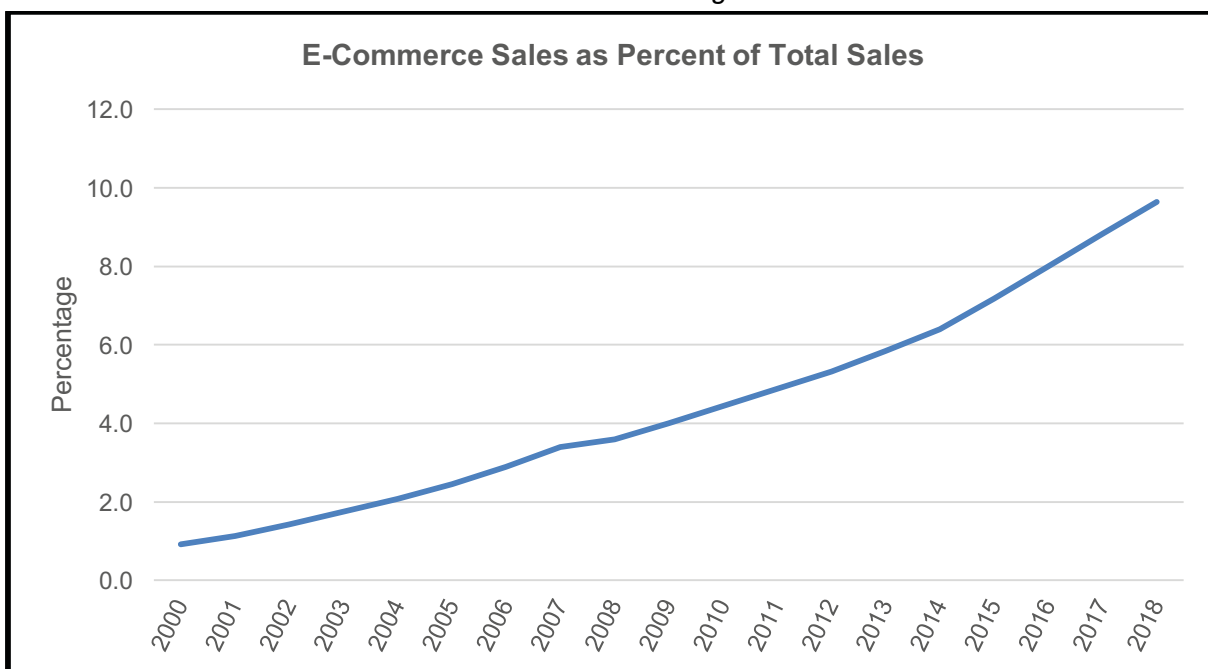
Exhibit 3.2.1: Global E-Commerce Sales



Source: Statista, 2018.

The growth of this digital market has taken away from traditional brick and mortar sales over the past two decades. In 2000, e-Commerce retail sales comprised a mere 0.8% of the total retail sales market. By 2018, 9.7% of all retail sales were conducted via e-Commerce, a steady growth pattern which is projected by many economists to continue in the years ahead.

Exhibit 3.2.3: E-Commerce Retail Sales as a Percentage of Total Sales



Source: St. Louis Federal Reserve; U.S. Census Bureau

As a result of these trends, we have seen dramatic increases in store closures in recent years, exceeding those levels reached during “Great Recession” (see Exhibit 3.2.4 and 3.2.5).

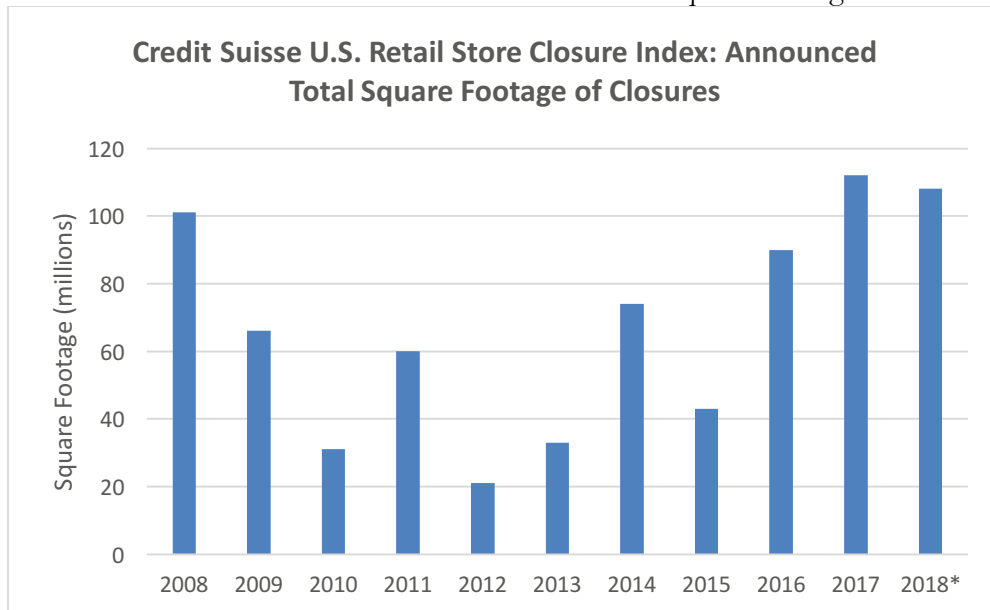
Exhibit 3.2.4: U.S. Retail Store Closure Index: Announced Store Closures



\* Projection

Source: Credit Suisse, “US Store Closures Monitor: 2018 On Track for Another Peak Square Footage Closure Year”

Exhibit 3.2.5: U.S. Retail Store Closure Index: Total Square Footage of Closures



\* Projection

Source: Credit Suisse, “US Store Closures Monitor: 2018 On Track for Another Peak Square Footage Closure Year”

<https://plus.credit-suisse.com/rpc4/ravDocView?docid= XSqs2AA-WEIRIF>

Coresight Research estimates that at the end of July 2019, U.S. retailers have announced 7,567 store closures, already surpassing the 5,864 announced store closures estimated for the full year of 2018; Coresight notes that “store closures could reach 12,000 by the end of 2019.”<sup>4</sup>

After years of continuing closures, 72 Sears stores and 27 JC Penney stores will close in 2019. Kmart will close 48 stores in 2019, and Macy’s will shut down 4 locations. Other examples of stores closures, many of which come after bankruptcy filings and reorganizations, include:

- GNC will close 900 stores by end of 2020
- Pizza Hut is closing 500 sit down restaurants by end of 2020
- Payless ShoeSource will close 2,100 stores in 2019
- Gymboree will close 800 locations in 2019
- Dressbarn will close 650 stores in 2019
- Charlotte Russe will close 512 stores in 2019
- Gap will close 230 stores in the next two years
- Things Remembered will close more than 200 stores in 2019
- Signet (Kay Jewelers, Zales, Jared) will close 150 stores in 2019
- Victoria’s Secret plans to close 53 stores in 2019

These recent and pending closures, combined with the continued closures seen in recent years, cause property owners to struggle to find new tenants for vacant spaces. Modern tenants often want locations with smaller footprints in vibrant areas, showing the critical importance of investing in a strategy to diversify the types of land uses, such as office with pedestrian-friendly outdoor dining, and entertainment and retail, all within a unified site. Today’s economic forces demand approaches to land use that explore diversification in uses and densities.

### **Blending Retail**

This retail revolution driven by e-Commerce is not simply a shift from in-store to online purchasing. Instead, consumers follow multiple paths to products (online, in-person, and combinations of both), and firms utilize omni-channel strategies that provide consumers with a shopping experience that integrates and blends brick-and-mortar retail with modern E-Commerce. Stores are no longer seen as a “space” to buy and sell merchandise; rather, they are a “place” where consumers can research, buy, receive, and experience products and services. To be successful, modern retailers must:

- present an integrated shopping environment in a diverse setting (such as office, work, transit, or residential nearby);
- embrace omni-channeling by developing a digital/physical presence;
- redefine platforms from simply selling goods to solving customers problems

To this end, retail landlords are increasingly adding office, hotel, and residential to their shopping centers to draw in customers throughout the day and evening hours. Subsequently, these blended use projects are attracting significant demand from employers seeking to attract younger working professionals, who no longer want to be located in a suburban office park.

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<sup>4</sup> <https://coresight.com/research/weekly-us-and-uk-store-openings-and-closures-tracker-2019-week-30-gnc-set-to-close-more-stores/>

### 3.3 Mall Redevelopment Case Study Examples

Reflecting national retail trends, many shopping center owners across the country are repositioning traditional shopping malls into new “Villages” and mixed-use developments. Below are three cases of such developments in Southern California.

#### **Westside Pavilion**

Built in 1985 on the site of California’s first drive-in movie theater and a small shopping center, the Westside Pavilion quickly became one of the prime shopping mall destinations in West Los Angeles. The mall underwent expansions and renovations, including the addition of what was called “Westside Too,” a section of new shops and outdoor restaurants connected to the main mall structure via a bridge over Westwood Boulevard.

As a result of the macro changes in the retail industry, resulting in closures of the two major anchor tenants, Nordstrom and Macy’s, only the movie theater remained as an active tenant.

Plans were announced in March 2018 that Hudson Pacific Properties would convert the mall into a new blended use project known as One Westside. Approximately 600,000 square feet of the former shopping center will be converted into creative office space, with the remaining 100,000 square feet used as entertainment retail space, featuring a movie theater, a restaurant, and retail shops.

In January 2019, it was announced that Google had signed a 14-year lease for the entire office space, which is expected to be completed in 2022.

*Exhibit 3.3.1: Westside Pavilion Project Summary*

<i>Use</i>	<i>Existing GFA (SF)</i>	<i>New GFA (SF)</i>
Retail	660,000	60,000
Theater	40,000	40,000
Office	-	600,000
<b>Total</b>	<b>700,000</b>	<b>700,000</b>

Source: Press Release

*Exhibit 3.3.2: Concept of Westside Pavilion Redevelopment*



A rendering of the proposed One Westside (source: Hudson Pacific Properties)

***Baldwin Hills Crenshaw Plaza***

The first post-war retail complex in the state of California, the Baldwin Hills Crenshaw Plaza has served as a key commercial center in south central Los Angeles since its opening in 1947. Since opening the mall has undergone a number of renovations and additions, the most recent of which was completed in 2010 after the purchase by Capri Capital Partners. However, the mall suffered major setback when the Walmart store was forced to close in January 2016.

Following unsuccessful attempts to find a replacement anchor, Capri filed plans with City of Los Angeles for a major mixed-use development expansion. On June 27<sup>th</sup>, 2018, the Los Angeles City Council approved the development agreement with Capri to add 2 million square feet of office hotel and residential uses, while redeveloping significant retail portions of the existing footprint to become a mixed-use entertainment center.



*Exhibit 3.3.3: Baldwin Hills Crenshaw Project Summary*

<i>Use</i>	<i>Existing GFA (SF)</i>	<i>New GFA (SF)</i>
Retail	833,077	833,077
Theater	75,000	75,000
Commercial	104,041	104,041
Office	4,623	148,000
Residential		1,234,500
Retail Restaurant		331,838
Hotel		346,500
<b>Total</b>	<b>1,016,741</b>	<b>3,072,956</b>

Source: Development Agreement with City of Los Angeles, 2018.

*Exhibit 3.3.4: Concept of Baldwin Hills Crenshaw Mall Redevelopment*



The project plan approved by City Council would add approximately 2 million gross square feet to the existing approximately 1 million square feet already on site. The majority of this to be added space is composed of approximately 1.2 million gross square feet of residential space encompassing 961 new residential units. Additions also include plans for a 400-key hotel, close to 150 thousand square feet of office space, and approximately 350,000 square feet of new restaurant and retail uses.

**Laguna Hills Mall (Five Lagunas)**

First opening in 1973, the Laguna Hills mall was centered around four major department stores. In the past few years, the mall suffered as all anchor tenants have closed their stores, leading to closure of the mall, with only a few exterior tenants remaining open.

In 2016, Merlone Geier Partners unveiled plans to redevelop the 69-acre mall site into a new blended use project called Five Lagunas. The plans would more than double the existing square footage of the site. (see Exhibit 3.3.4). In April 2019, Merlone Geier released revised plans that featured 2,100 apartment units, four office buildings, a boutique hotel, movie theater, fitness, retail, and restaurant spaces, along with a three-acre park.

*Exhibit 3.3.5: Five Lagunas Project Summary*

<i>Use</i>	<i>Existing GFA (SF)</i>	<i>New GFA (SF)</i>
Restaurant	78,795	115,354
Retail	873,551	616,013
Fitness	-	40,102
Cinema	13,166	109,070
Flex Retail/Medium Office	-	45,890
Residential	-	1,300,000
<b>Total</b>	<b>965,512</b>	<b>2,226,429</b>

Source: Five Lagunas Project Plan, 2016.

*Exhibit 3.3.6: Concept Images of Five Lagunas Redevelopment*



## 4.0 Fiscal Impact

This Analysis is based on information provided by the Landlord/Developer, the City of El Segundo (“City”), Los Angeles County (“County”) Property Tax Auditor-Controller’s Office, California Department of Finance (“DOF”), California Board of Equalization (“BOE”), U.S. Census, U.S. Bureau of Labor Statistics (“BLS”), and ESRI.

### 4.1 General Assumptions

Unless otherwise noted, the subsequent analysis maintains the following assumptions.

- Dollar amounts are expressed in 2019 dollars.
- Fiscal impacts are estimated at stabilized occupancy.
- Employment figures are permanent FTE jobs.

### 4.2 Fiscal Revenue Analysis

#### 4.2.1 Property Tax

Secured property tax revenues are estimated based on the anticipated assessed value of the Project upon full build-out and the applicable property tax rates for the City. Existing value was not included as part of the analysis, as the subject property is already on the tax rolls.

The City general fund receives an approximate 6% share of the annual 1.0% secured property tax general levy placed by the County on the assessed value of the property (\$0.06 of each \$1.00 of secured property tax revenue) within the TRAs.

Unsecured property taxes are collected based on the assessed value of real property not affixed to the underlying land, such as business fixtures, and some types of vehicles. The rate of taxation and apportionment is generally the same as for secured property taxes.

Assuming a \$15-\$18 million increase in assessed value, the City would receive approximately \$10,000 in additional property taxes

#### 4.2.2 Sales Tax (On-Site / Direct)

Plaza El Segundo Shopping Center includes three major retail/commercial components (A, B, C). The two remaining retail components (A & B) are expected to generate significant on-site sales taxes equal to or greater than the current operation due to significant vacancy and underperforming establishments. Taxable sales for each of these components vary based on



current industry standards/projections. See Appendix Exhibits 1-2 for summary sales of each major component in Plaza El Segundo Center.

In addition to sales tax, the City receives use tax revenues, which are levied on shipments into the State and on construction materials for new development not allocated to a sites location. No increase in use tax revenues are projected.

As previously discussed the loss of the 53,000 square feet in The Collection is not expected to result in any long term loss of sales taxes

#### 4.2.3 *Business Taxes*

Current business tax rates are assessed based on the number of employees and square footage. The first 10 employees and initial 5,000 SF are charged a flat fee base tax of \$104.40. The business is then charged for each additional employee over 10, at a rate of \$129.35 per employee. Additionally, the employer is charged \$0.25 for each square foot over 5,000 SF. Based on estimates for employees and square footage for the proposed office reuse, Kosmont projects a net annual business tax of approximately \$40,000.

#### 4.2.4 *Incremental General Fund Taxes*

In summary the repositioning of the Plaza El Segundo into a mixed-use office/retail complex will likely result in a positive fiscal impact of \$50,000 per year above the existing baseline.

## 5.0 Economic Impact and Job Benefits

### 5.1 Construction Budget

The development costs for the conversion of the approximately 50,000 square foot of retail into creative office is estimated at \$18 million, including soft and hard costs.

### 5.2 IMPLAN Modeling

This analysis uses the IMPLAN (IMpact analysis for PLANning) econometric input/output model developed by the IMPLAN Group to quantify the economic impact to the local region from Project construction / renovation and ongoing operations. This proprietary model estimates the economic benefits on the industries in a given geographic area based on known economic inputs, such as construction costs. The model estimates direct, indirect, and induced benefits expressed in terms of increased economic activity, earnings (“labor income”), and job creation.

*Direct Economic Benefits:* Direct benefits refer to the short-term business activity of general contractors involved in Project construction / renovation and the ongoing business activities of Project tenants.

*Indirect Economic Benefits:* Indirect benefits will result when local firms directly impacted by the Project purchase materials, supplies or services from other firms. Examples would include increased sales of building materials as a result of construction activity, and increased sales of inputs related to the business operations of tenants within the Project.

*Induced Economic Benefits:* Induced benefits relate to the consumption spending of employees of firms that are directly or indirectly affected by the Project. These would include all of the goods and services normally associated with household consumption (e.g., housing, retail purchases, local services, etc.).

Inputs for the IMPLAN economic benefit analysis include the development budget provided by the Developer and permanent on-site employment information estimated by Kosmont. The permanent full-time employment estimates were derived from similar projects and industry standard per-square-foot employment densities for corresponding land use types.

## 5.2 Construction Related Economic Benefits

During the construction period, the Project is expected to produce approximately 157 jobs, \$13 million in labor income across Los Angeles County. (see Exhibit 6.2.1).

*Exhibit 5.2.1: Economic Benefits from Construction*

<b>Economic Benefits from Construction (One-Time / Short-Term)</b>		
	<b>Employment</b>	<b>Labor Income</b>
Direct (On-Site)	90	\$9,000,000
Indirect	32	\$1,900,000
Induced	35	\$2,100,000
<b>Total Countywide</b>	<b>157</b>	<b>\$13,000,000</b>

Notes: Estimated benefits are during construction. Values in 2019 dollars.

Source: IMPLAN, Kosmont Companies

## 6.3 Economic Benefits from On-going Operations

Once completed, the Project is projected to result in approximately 231 new permanent jobs, and approximately \$20.3 million in labor income.

*Exhibit 5.2.2: Economic Benefits During Operation*

<b>Economic Benefits from Ongoing Operation (Annual)</b>		
	<b>Employment</b>	<b>Labor Income</b>
Direct (On-Site)	212	\$19,080,000
Indirect	9	\$591,000
Induced	10	\$588,000
<b>Total Countywide</b>	<b>231</b>	<b>\$20,259,000</b>

Source: IMPLAN, Kosmont Companies

### Disclaimer

*This Analysis is confidential and client privileged and is not to be used for any purpose other than for site acquisition or disposition and land planning. This Analysis is based on estimated figures and Kosmont's professional opinion, using available market and financial information. Given the economic, market and financial risks associated with such real estate development, there is no assurance that these result will be achieved.*

## Exhibit 1: Plaza El Segundo Sales History

Location	2017			2018		
	Tenant	Area	Est. Sales	Tenant	Area	Est. Sales
Anchors / Big Box	Container Store, The	22,006		Container Store, The	22,006	
Anchors / Big Box	Cost Plus	18,205		Cost Plus (thru 11/30/18)	18,205	
Anchors / Big Box	PetSmart #1316	19,698		PetSmart #1316	19,698	
Anchors / Big Box	Best Buy	44,950		Best Buy	44,950	
Anchors / Big Box	HomeGoods #501	28,007		HomeGoods #501	28,007	
Anchors / Big Box	Whole Foods Market	65,658		Whole Foods Market	65,658	
Anchors / Big Box	Dick's Sporting Goods	45,059		Dick's Sporting Goods	45,059	
<b>Anchors Total</b>		<b>243,583</b>	<b>143,000,000</b>		<b>243,583</b>	<b>142,200,000</b>
The Works	Jos. A. Bank Clothiers	3,513		Jos. A. Bank Clothiers	3,513	
The Works	Milan Nails	1,622		Milan Nails (thru	1,622	
The Works	Yoga Works	1,982		Yoga Works (thru	1,982	
The Works	Yoga Works #0740-E	6,020		Yoga Works #0740-E	6,020	
The Works	Melt Gelato & Crepe	740		Melt Gelato & Crepe	740	
The Works	Orange Twist	1,078	-	Orange Twist (thru	1,078	
The Works	None	2,394	-	Orange Twist (starting	2,394	
The Works	Tempress	1,475		Tempress	1,475	
The Works	Snip-Its	1,300		Snip-Its	1,300	
The Works	Legacy Dance Academy	1,927		Legacy Dance Academy	1,927	
The Works	Legacy Dance Academy	3,081		Legacy Dance Academy	3,081	
The Works	California Fish Grill	2,766		California Fish Grill	2,766	
The Works	Active Ride	6,783		Active Ride	6,783	
The Works	Ya Ya's	800		Ya Ya's	800	
The Works	None	1,232		None	1,232	
The Works	Veggie Grill, The	2,601		Veggie Grill, The	2,601	
The Works	Wondertree Kids	2,009		Wondertree Kids	2,009	
The Works	Federal Realty Inv (thru 11/30/17)	1,384		None	1,193	
The Works	None	1,154		None	1,154	
The Works	La Sirena Grill and Cantina ( 11/17)	2,627		None	2,627	
The Works	The Counter	2,800		The Counter (thru	2,800	
The Works	None	4,594	-	Barry's Bootcamp	4,594	-
<b>The Works Total</b>		<b>53,882</b>	<b>14,300,000</b>		<b>53,691</b>	<b>12,400,000</b>
Collection	Anthropologie #481	11,000		Anthropologie #481	11,000	
Collection	Pinkberry	902		Pinkberry	902	
Collection	Out of School Guiding Hands (thru 7/31/17)	776		None	776	
Collection	BCBG Max Azria #715	3,844		BCBG Max Azria #715	3,844	
Collection	Banana Republic #8992	6,397		Banana Republic #8992	6,397	
Collection	H & M #245	6,137		H & M #245	6,137	
Collection	J. Crew #712	4,842		J. Crew #712	4,842	
Collection	Lululemon Athletica	3,003		Lululemon Athletica (thru 6/17/18)	3,003	
Collection	Iviva Athletica (thru	1,710		None	1,641	
Collection	Bebe (thru 5/31/17)	3,568		None	3,606	
Collection	Brooks Shoes for Kids	1,056		None	1,056	
Collection	Paper Source #642	2,277		Paper Source #642	2,277	
Collection	MAC Cosmetics	1,339		MAC Cosmetics (thru	1,339	
Collection	L'Occitane	1,121		L'Occitane (thru 5/27/18)	1,121	
Collection	Marmalade Cafe	5,409		Marmalade Cafe	5,409	
<b>Collection Total</b>		<b>53,381</b>	<b>23,200,000</b>		<b>53,350</b>	<b>14,900,000</b>
Pads	Chase Bank / Sammy'sPizza	9,934		Chase Bank / Sammy'sPizza	9,934	
Pads	Starbucks #11954	1,800		Starbucks #11954	1,800	
Pads	Drybar #107	1,484		Drybar #107	1,484	
Pads	Nail Garden	1,484		Nail Garden	1,484	
Pads	Miracle Smile Dentistry	2,226		Miracle Smile Dentistry	2,226	
Pads	Wells Fargo	50		Wells Fargo	50	
Pads	Sur La Table #60	5,000		Sur La Table #60	5,000	
Pads	Salt Creek Grille	7,500		Salt Creek Grille	7,500	
<b>Pads Total</b>		<b>29,478</b>	<b>10,600,000</b>		<b>29,478</b>	<b>10,900,000</b>
<b>Grand Total</b>		<b>380,324</b>	<b>191,100,000</b>		<b>380,102</b>	<b>180,400,000</b>

## Exhibit 2: Plaza El Segundo 2019 Sales Est.

2019			
Location	Tenant	Area	Est. Sales
Anchors / Big Box	Container Store, The (thru	22,006	
Anchors / Big Box	PRO Nordstrom Rack (thru 10/31/29)	18,205	
Anchors / Big Box	PetSmart #1316 (thru 4/30/22)	19,698	
Anchors / Big Box	Best Buy (thru 1/31/22)	44,950	
Anchors / Big Box	HomeGoods #501 (thru 8/31/20)	28,007	
Anchors / Big Box	Whole Foods Market (thru	65,658	
Anchors / Big Box	Dick's Sporting Goods #924	45,059	
<b>Anchors Total</b>		<b>243,583</b>	<b>160,000,000</b>
The Works	Jos. A. Bank Clothiers #697 (thru	3,513	
The Works	PRO Motion Stretch (thru 1/31/30)	1,622	
The Works	NEW TENANT B1.03	1,982	
The Works	Yoga Works #0740-E (thru	6,020	
The Works	Melt Gelato & Crepe Cafe (thru	740	
The Works	NEW TENANT B2.02	1,078	
The Works	Orange Twist (thru 5/31/23)	2,394	
The Works	Tempress (thru 12/31/19)	1,475	
The Works	Snip-Its (thru 1/31/21)	1,300	
The Works	Duff's Cakemix (thru 8/31/24)	1,927	
The Works	Legacy Dance Academy (thru	3,081	
The Works	California Fish Grill (thru 6/30/20)	2,766	
The Works	Active Ride (thru 12/31/22)	6,783	
The Works	Ya Ya's (thru 8/31/19)	800	
The Works	NEW TENANT B3.02B	1,232	
The Works	Veggie Grill, The (thru 1/31/28)	2,601	
The Works	Wondertree Kids (thru 10/31/20)	2,009	
The Works	NEW TENANT B4.02	1,193	
The Works	NEW TENANT B4.03	1,154	
The Works	NEW TENANT B4.04	2,627	
The Works	Soom Soom (thru 4/30/29)	2,816	
The Works	Barry's Bootcamp (thru 8/31/28)	4,594	-
<b>The Works Total</b>		<b>53,707</b>	<b>11,300,000</b>
Collection	Anthropologie #481 (thru 6/20/22)	11,000	
Collection	Pinkberry (5/31/22)	902	
Collection	NEW TENANT C2.01B	776	
Collection	BCBG Max Azria #715 (thru	3,844	
Collection	Banana Republic #8992 (thru	6,397	
Collection	H & M #245 (thru 1/31/22)	6,137	
Collection	J. Crew #712 (thru 1/31/23)	4,842	
Collection	NEW TENANT C3.01	3,003	
Collection	NEW TENANT C3.02	1,641	
Collection	NEW TENANT C3.04	3,606	
Collection	NEW TENANT C3.06	1,084	
Collection	Paper Source #642 (thru 5/31/19)	2,277	
Collection	NEW TENANT C3.10	1,339	
Collection	NEW TENANT C3.12	1,121	
Collection	Marmalade Cafe (thru 8/31/22)	5,409	
<b>Collection Total</b>		<b>53,378</b>	<b>13,000,000</b>
Pads	PRO Ulta (thru 11/30/29)	10,076	
Pads	Starbucks #11954 (thru 4/30/27)	1,800	
Pads	Drybar #107 (thru 3/31/22)	1,484	
Pads	Nail Garden (thru 5/31/19)	1,484	
Pads	Miracle Smile Dentistry (thru 4/30/21)	2,226	
Pads	Wells Fargo (thru 12/31/19)	50	
Pads	Sur La Table #60 (thru 1/31/23)	5,000	
Pads	Salt Creek Grille (thru 1/31/22)	7,500	
<b>Pads Total</b>		<b>29,620</b>	<b>11,000,000</b>
<b>Grand Total</b>		<b>380,288</b>	<b>195,300,000</b>

## RESOLUTION NO. 2888

### **A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL APPROVE ENVIRONMENTAL ASSESSMENT NO. EA-1279, DEVELOPMENT AGREEMENT NO. DA 20-01, AND MODIFY THE CONDITIONS OF APPROVAL FOR THE PLAZA EL SEGUNDO DEVELOPMENT PROJECT**

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

#### SECTION 1: The Planning Commission finds and declares that:

- A. On March 15, 2005, the City Council approved a development known as Plaza El Segundo. Approvals for that development were subsequently amended to allow for different types of uses including, among others, Health Clubs and Fitness Center (2007); Health/Skin Care and automobile sale uses (2008); fast food restaurants, banks, dance/music studios (2009); and medical and dental offices (2010);
- B. On September 3, 2013, the City Council further amended the approvals for the development to, among other amendments, increase the size of the previously approved shopping center floor area by 49,613 square feet;
- C. On October 3, 2017, the City further amended the permitted uses including among others, daycare centers, personal services, public assembly and recreational uses (2017);
- D. On March 9, 2020, Street Retail, Inc. filed applications for an Environmental Assessment and an amendment of the Development Agreement and Conditions of Approval for the Plaza El Segundo and The Point development project to increase the proportion of non-sales tax generating uses to 40 percent;
- E. 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);
- F. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the application before the Planning Commission for October 22, 2020;
- G. On October 22, 2020, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including, without limitation, information provided to the Planning Commission by city staff; and, adopted Resolution No. 2888 recommending



that the City Council approve the proposed project;

- H. This Resolution and its findings are made based upon the evidence presented to the Commission at its October 22, 2020, hearing including the staff report submitted by the Planning and Building Safety Department.

SECTION 2: *Factual Findings And Conclusions.* The Commission finds that the proposed amendments would result in the following:

- A. Amend the development agreement and conditions of approval to increase the maximum percentage of project floor area dedicated to non-sales tax generating uses to 40 percent for both the Plaza El Segundo and The Point shopping centers;

SECTION 3: *General Plan Findings.* As required under Government Code Section 65860, the amendments proposed by the Ordinance are consistent with the El Segundo General Plan as follows:

- A. The proposed ordinance is consistent with Goal LU4 of the General Plan Land Use Element in that it will help maintain a high quality retail center in proximity to major employment centers and provide new office uses.
- B. The proposed ordinance is consistent with Goal ED1 of the General Plan Economic Development Element in that it will help diversify the City's employment and tax base by permitting a mix of retail, office and other uses.
- C. The proposed ordinance is consistent with Objective ED1-2 of the General Plan Economic Development Element in that would permit several new uses in the C-4 zone, which promotes the diversification of the City's retail and commercial base.

SECTION 4. *Development Agreement Findings.* In accordance with Government Code § 64867.5 and Resolution No. 3268, adopted June 26, 1984, the City Council finds as follows:

- A. The Development Agreement is consistent with the General Plan of El Segundo and there are no applicable Specific Plans. The Revised and Restated Development Agreement is an extension of that Development Agreement originally approved in March 2005 and therefore a continuation of the Development Agreement Findings set forth in Section 5 of Ordinance No. 1382 which findings are incorporated by reference. By expanding the allowed uses, the Development Agreement continues to provide the following benefits:

1. Protection against the Plaza El Segundo development (both Phase 1A and Phase 1B) from becoming blighted due to a change in retail sales

by allowing additional uses which will create a synergy;

2. Provision of an attractive urban destination;
  3. Increasing and stabilizing the City's tax base by allowing new commercial development;
  4. Provision of long-term employment and increase the employment opportunities for the residents of the City of El Segundo;
  5. Add to the diversification of economic base in the City;
  6. Provision of significant fiscal benefit to the City through additional business licenses and sales tax revenues; and
  7. Provision of additional retail use and commercial services to the adjacent employment centers.
- B. The Development Agreement is compatible with the uses authorized in and regulations prescribed for the Commercial Center (C-4) zoning district.
- C. The Development Agreement is in conformity with the public convenience, general welfare and good land use practice as it provides expanded commercial opportunities in a synergistic manner with the existing Plaza El Segundo development and adjacent land uses but does not increase the overall allowed traffic.
- D. The Development Agreement will not adversely affect the orderly development of property or the preservation of property values as it does not expand development beyond the physical boundaries of Plaza El Segundo (Phase 1A and Phase 1B), which is already developed.

SECTION 6: Environmental Assessment. The Planning Commission makes the following environmental findings:

- A. The project is categorically exempt from environmental review pursuant to California Code of Regulations, Title 14 ("CEQA guidelines") § 15061(b)(3) – the common sense exemption as it can be seen with certainty that there will not be an impact, because no substantial construction and no addition of building area is being proposed; the proposed change to the mix of uses will maintain the total daily and peak AM and PM traffic trips generated by the shopping center below the levels estimated previously; and no other impact areas should be affected; and CEQA Guidelines § 15305 – the Class 5 exemption for minor alterations in land use limitations as office and other non-retail uses are already allowed in the C-4 zone and the only change

involves the ratio of office and other non-retail uses to retail uses.

SECTION 7: Recommendations.

- A. The City Council should adopt the Ordinance attached as Exhibit "A" which would adopt the amended Development Agreement and modify the Conditions of Approval for the Plaza El Segundo and The Point development project;

SECTION 8: Reliance On Record. Each and every one of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 9: Limitations. The Planning Commission's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 10: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 11: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.

SECTION 12: This Resolution may be appealed within 10 calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Ryan Baldino, Chair  
City of El Segundo Planning Commission

ATTEST:

\_\_\_\_\_  
Sam Lee, Secretary

Baldino -  
Newman -  
Hoeschler -  
Wingate -  
Keldorf -

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

By: \_\_\_\_\_  
David King, Assistant City Attorney

**PLANNING COMMISSION RESOLUTION NO. 2888  
EXHIBIT "A"**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING DEVELOPMENT AGREEMENT NO DA  
20-01 (EIGHTH AMENDMENT TO DEVELOPMENT AGREEMENT NO.  
DA 03-01) AND AN AMENDMENT TO THE CONDITIONS OF APPROVAL  
FOR THE PLAZA EL SEGUNDO AND THE POINT DEVELOPMENT.**

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

SECTION 1: The Council finds and declares as follows:

- A. On March 15, 2005, the City Council approved a development known as Plaza El Segundo. Approvals for that development were subsequently amended to allow for different types of uses including, among others, Health Clubs and Fitness Center (2007); Health/Skin Care and automobile sale uses (2008); fast food restaurants, banks, dance/music studios (2009); and medical and dental offices (2010);
- B. On September 3, 2013, the City Council further amended the approvals for the development to, among other amendments, increase the size of the previously approved shopping center floor area by 49,613 square feet;
- C. On October 3, 2017, the City further amended the permitted uses including among others, daycare centers, personal services, public assembly and recreational uses (2017);
- D. On March 9, 2020, Street Retail, Inc. filed applications for an Environmental Assessment and an amendment of the Development Agreement and Conditions of Approval for the Plaza El Segundo and The Point development project to increase the proportion of non-sales tax generating uses to 40 percent;
- E. 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);
- F. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the application before the Planning Commission for October 22, 2020;



- G. On October 22, 2020, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including, without limitation, information provided to the Planning Commission by city staff; and, adopted Resolution No. 2888 recommending that the City Council approve the proposed project;
- H. On \_\_\_\_\_, 2020, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance; and
- I. This Ordinance and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City Council at its \_\_\_\_\_, 2020 hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings and Conclusions. The City Council finds that the proposed amendments would result in the following:

- A. Amend the development agreement and conditions of approval to increase the maximum percentage of project floor area dedicated to non-sales tax generating uses to 40 percent for both the Plaza El Segundo and The Point shopping centers;

SECTION 3: General Plan Findings. As required under Government Code Section 65860, the amendments proposed by the Ordinance are consistent with the El Segundo General Plan as follows:

- A. The proposed ordinance is consistent with Goal LU4 of the General Plan Land Use Element in that it will help maintain a high quality retail center in proximity to major employment centers and provide new office uses.
- B. The proposed ordinance is consistent with Goal ED1 of the General Plan Economic Development Element in that it will help diversify the City's employment and tax base by permitting a mix of retail, office and other uses.
- C. The proposed ordinance is consistent with Objective ED1-2 of the General Plan Economic Development Element in that would permit several new uses in the C-4 zone, which promotes the diversification of the City's retail and commercial base.

SECTION 4: Development Agreement Findings. In accordance with Government Code § 64867.5 and Resolution No. 3268, adopted June 26, 1984, the City Council finds as follows:

- A. The Development Agreement is consistent with the General Plan of El Segundo and there are no applicable Specific Plans. The Revised and

Restated Development Agreement is an extension of that Development Agreement originally approved in March 2005 and therefore a continuation of the Development Agreement Findings set forth in Section 5 of Ordinance No. 1382 which findings are incorporated by reference. By expanding the allowed uses, the Development Agreement continues to provide the following benefits:

1. Protection against the Plaza El Segundo development (both Phase 1A and Phase 1B) from becoming blighted due to a change in retail sales by allowing additional uses which will create a synergy;
  2. Provision of an attractive urban destination;
  3. Increasing and stabilizing the City's tax base by allowing new commercial development;
  4. Provision of long-term employment and increase the employment opportunities for the residents of the City of El Segundo;
  5. Add to the diversification of economic base in the City;
  6. Provision of significant fiscal benefit to the City through additional business licenses and sales tax revenues; and
  7. Provision of additional retail use and commercial services to the adjacent employment centers.
- B. The Development Agreement is compatible with the uses authorized in and regulations prescribed for the Commercial Center (C-4) zoning district.
- C. The Development Agreement is in conformity with the public convenience, general welfare and good land use practice as it provides expanded commercial opportunities in a synergistic manner with the existing Plaza El Segundo development and adjacent land uses but does not increase the overall allowed traffic.
- D. The Development Agreement will not adversely affect the orderly development of property or the preservation of property values as it does not expand development beyond the physical boundaries of Plaza El Segundo (Phase 1A and Phase 1B), which is already developed.

SECTION 5: Environmental Assessment. The project is categorically exempt from environmental review pursuant to California Code of Regulations, Title 14 ("CEQA guidelines") § 15061(b)(3) – the common sense exemption as it can be seen with certainty that there will not be an impact, because no substantial construction and no addition of building area is being proposed; the proposed change to the mix of uses will maintain the

total daily and peak AM and PM traffic trips generated by the shopping center below the levels estimated previously; and no other impact areas should be affected; and CEQA Guidelines § 15305 – the Class 5 exemption for minor alterations in land use limitations as office and other non-retail uses are already allowed in the C-4 zone and the only change involves the ratio of office and other non-retail uses to retail uses.

SECTION 6: Amendments to the Development Agreement and Conditions. Development Agreement No. 03-01, as previously amended, is hereby amended and attached as Exhibit “A”. This revised Development Agreement and the conditions attached thereto supersede Development Agreement 03-01 and the seven amendments thereto as approved in Ordinance Nos. 1382 (Section 7B), 1406 (Section 3), 1417 (Section 5A), 1430 (Section 3), 1446 (Section 3), 1481 (Section 7), 1499 (Section 4) and 1556 (Section 13). The Conditions Attached to the Revised Development Agreement supersede those conditions that were previously approved by Ordinance Nos. 1382 (Section 7F), 1417 (Section 5E), 1481 (Section 8), and 1556 (Section 13) and Resolution Nos. 4415 (Section 5F), 4542 (Section 5C), 4838 (Section 8A), and 5053 (Section 8D).

SECTION 7: CONSTRUCTION. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 8: ENFORCEABILITY. Repeal of any provision of the ESMC does 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 9: VALIDITY OF PREVIOUS CODE SECTIONS. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this Ordinance will be rendered void and cause such previous ESMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 10: 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 11: 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 a summary thereof to be published or posted in accordance with California law.

SECTION 12: This Ordinance will go into effect and be in full force and effect on the thirty-first (31st) day after its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Drew Boyles, Mayor

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Mark D. Hensley, City Attorney

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. \_\_\_\_\_ was duly introduced by said City Council at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2020, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the \_\_\_\_ day of \_\_\_\_\_, 2020, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Tracy Weaver, City Clerk

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

SECOND REVISED AND RESTATED  
DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF EL SEGUNDO,  
PES PARTNERS, LLC AND  
STREET RETAIL, INC.

(AREA A)

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



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## **REVISED AND RESTATED DEVELOPMENT AGREEMENT**

This Second Revised and Restated Development Agreement (the “Agreement”) is made and entered into by and between the CITY OF EL SEGUNDO, a municipal corporation (referred to hereinafter as “City”), PES PARTNERS, LLC, a California limited liability company and STREET RETAIL, INC. (individually and collectively referred to hereinafter as “Developer”) as of this \_\_\_\_ day of \_\_\_\_\_, 2020. City and Developer are referred to hereinafter individually as “Party” and collectively as “Parties”. In consideration of the mutual covenants and agreements contained in this Agreement, City and Developer agree as follows:

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

1.1 Pursuant to Government Code Section 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.

1.2 Developer is the owner of that Property which is more particularly described in **EXHIBIT A**, which is attached hereto and incorporated herein by this reference (the “Property” or “Area A”).

1.3 Developer and/or Developer’s Predecessors in Interest entered into a Development Agreement with the City in 2005 regarding the Property and six amendments thereto. On October 3, 2017, the City Council adopted Ordinance No. 1556, which in part approved a Revised and Restated Development Agreement. This Agreement was recorded with the Los Angeles County Recorder’s office on XXXX as Document No. XXXXX

1.4 The City certified a Final Environmental Impact Report for Environmental Assessment No. 631 (SCH No. 2003121037) (the “EIR”), and approved the Mitigation Monitoring Plan for the EIR; General Plan Amendment No. 03-4, Zone Change No. 03-2, Zone Text Amendment No. 04-1, Subdivision No. 03-7 (Vesting Tentative Tract No. 061630), and the Original Development Agreement No. 03-1 (the foregoing are collectively referred to as the “Original Project”). Concurrently with the City’s approval of the Original Project, as part of General Plan Amendment No. 03-5, Zone Change 03-3, and Zone Text Amendment No. 04-1, the City redesignated and rezoned other property in the vicinity of the Property with a “Commercial Center (C-4)” land use and zoning designation (the “Other C-4 Property.”) This area is approximately 85.8 acres.

1.5 The City prepared Addendums for the Second and Fifth Amendments to the Development Agreement, and the Revised and Restated Development Agreement. It was determined that no other CEQA documentation was required for the First, Third, Fourth and Sixth Amendments to the Development Agreement.



1.6 The Development Agreement relates to the development of a total of 51.70 gross/46.60 net (after street dedication) acres. The Development is broken up into two Phases. Phase 1A is commonly known as Plaza El Segundo and is approximately 33.55 acres. Phase 1B is commonly known as The Point and is approximately 18.15 acres. The total square footage allowed prior to this Agreement was 498,442 gross square feet that includes large retail stores, specialty retail stores, sit-down restaurants and other uses (the “Project”). Phase 1A currently consists of approximately 379,495 square feet. Phase 1B currently consists of approximately 117,914 square feet.

1.7 In addition to allowing additional square footage to be developed, the Revised and Restated Development Agreement made other changes to help with the success of the shopping centers by allowing additional uses and eliminating specific square footage requirements of allowed uses to provide more flexibility in the mix of tenants allowed in the Property. The Revised and Restated Development Agreement also set percentage limits on the amount of Sales Tax Generating Uses and Non-Sales Tax Generating Uses in both Phases 1A and 1B.

1.8 Despite the added flexibility that was provided with the Revised and Restated Development Agreement, there still have been problems leasing out the spaces at The Collection in Phase 1A and high vacancy rates in both The Collection and The Works remain a problem. Further, the global pandemic has greatly changed the viability of brick and mortar retail businesses and the vacancy rates at The Point are also high. Vacancies in these areas will create a negative impact on the remaining businesses, which will lead to further vacancies and a further dwindling of sales tax.

1.8 The vehicle trip caps established by the original approvals will remain in place.

1.9 By this Agreement, each Party desires to obtain the binding agreement of the other Party to develop the Property in accordance with the Project Approvals, Applicable Rules and this Agreement. 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. Developer agrees to waive its rights, if any, to challenge legally the limitations on density and use imposed upon development of the Property and other restrictions and obligations set forth in this Agreement and the Project Approvals.

1.10 City and Developer have acknowledged and agreed that the consideration that is to be exchanged pursuant to this Agreement is fair, just and reasonable and that this Agreement is consistent with the General Plan of City.

1.11 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 buildout of the Project.

1.12 The proposed Project uses are consistent with the City’s General Plan (the “General Plan”).

1.13 Development of the Project has, and will continue to, further the comprehensive planning objectives contained within the General Plan.

1.14 On \_\_\_\_\_, 2020, the Planning Commission of the City commenced a duly noticed public hearing on this Agreement. At the conclusion of the hearing the Planning Commission recommended that the City Council approve this Second Revised and Restated Agreement pursuant to a Notice of Exemption.

1.15 On \_\_\_\_\_, 2020, the City Council of the City (“City Council”) commenced a duly noticed public hearing on this Agreement. In conjunction with approving this Agreement by Ordinance No. \_\_\_\_\_ (the “Enabling Ordinance”), the City Council determined that this Agreement was exempt from CEQA pursuant to the common sense exemption under CEQA Guidelines section 15061(b)(3) and the Class 5 Exemption under CEQA Guidelines section 15305 for minor alterations to land use limitations.

1.16 Section 15 of the Revised and Restated Development Agreement provides for amendment of the Development Agreement upon mutual consent of the parties and in accordance with the procedures established by the Development Agreement Act. The City Council found that this Revised and Restated Agreement has been adopted in conformance with the procedures of the Development Agreement Statute set forth in Government Code §§ 65865, et seq.

2. Property Subject to this Agreement. All of the Property shall be subject to this Agreement.

3. Binding Effect. The burdens of this Agreement are binding upon, and the benefits of the Agreement inure to the City and the Developer and each successive successor in interest thereto and constitute covenants that run with the Property. Any and all rights and obligations that are attributed to the Developer under this Agreement shall run with the land.

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 the Developer has a legal interest is, and shall be, 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 Assign. Developer may assign or transfer its rights and obligations under this Agreement with respect to the Property, or any portion thereof, to any person at any time during the term of this Agreement without approval of the City.

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 the City prior or subsequent written notice of such transfer and (ii) the 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 **EXHIBIT B** attached hereto and incorporated herein by reference. Upon any transfer of any portion of the Property and the express assumption of Developer’s obligations under this Agreement by such transferee, the City agrees to look solely to the 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 shall be entitled to the benefits of this Agreement as “Developer” hereunder and shall be subject to the obligations of this Agreement applicable to the parcel(s) transferred. A default by any transferee shall only affect that portion of the Property owned by such transferee and shall not cancel or diminish in any way Developer’s rights hereunder with respect to any portion of the Property not owned by such transferee. The transferee shall be responsible for satisfying the good faith compliance requirements set forth in Section 9 below relating to the portion of the Property owned by such transferee, and any amendment to this Agreement between the City and a transferee shall only affect the portion of the Property owned by such transferee.

4. Development of the Property. The following provisions shall govern the subdivision, development and use of the Property. The limitations imposed within this Agreement are primarily intended to ensure that a majority of the Project remains retail in nature, while allowing additional uses that complement the retail tenant base in order to maintain a thriving Project with minimal vacancies.

4.1 Permitted Uses. The permitted and conditionally permitted uses of the Property are those set forth in the City’s Municipal Code for the Commercial Center (C-4) zone.

4.2 Limitations on Uses.

4.2.1 Sales Tax Generating. Each of the allowable uses in the C-4 Zone can be categorized as either “Sales Tax Generating” or “Non-Sales Tax Generating,” as defined herein. While the City recognizes that Non-Sales Tax Generating Uses are essential to maintaining a viable tenant mix, the City desires to maximize the overall percentage of Sales Tax Generating Uses on the Property. Accordingly, Developer, and its successors and assigns, agree that, at all times during the term of this Agreement, the uses on the Property will be maintained in accordance with the following proportions. For purposes of the calculation, the percentage is based on total gross leasable area.

<b>AREA</b>	<b>Sales Tax Generating Uses</b>	<b>Non-Sales Tax Generating Uses</b>
Phase 1A – Plaza El Segundo	60% minimum	40% maximum
Phase 1B – The Point	60% minimum	40% maximum

For purposes of this section, “Sales Tax Generating Uses” includes retail sales uses (including grocery stores), restaurants and cafes, bars, and micro-breweries. “Non-Sales Tax

Generating Uses” includes financial institutions, day spas, fitness centers, farmers’ markets, offices of all types, personal services, recreational facilities, public assembly/assembly halls (including theaters and museums), billiard establishments, and veterinary services. The City’s Finance Director, in his/her discretion, will determine whether any use not specifically listed here should be classified as Sales Tax Generating or Non-Sales Tax Generating. The Finance Director’s determination may be appealed to the City Council. Any such appeal must be made in writing and delivered to the City Clerk within ten calendar days of the Director’s decision.

4.2.2 Food to Go Restaurant. “Food to go” restaurants (defined in Section 15-1-6 of the El Segundo Municipal Code) shall not be allowed anywhere on the Property as a permitted or conditionally permitted use.

4.2.3 Fast Food Restaurants. Unless such use is incidental to the primary business of an occupant of a building, “Fast food” restaurants are prohibited in Phase 1A within 150 feet of Sepulveda Boulevard and in Phase 1B within ninety (90) feet of Sepulveda Boulevard or Rosecrans Avenue. “Fast food” restaurant is defined as “A restaurant where customers purchase food and beverages and either consume the food and beverages on the premises within a short period of time or take the food and beverages off the premises. Typical characteristics of a fast food restaurant include, without limitation, the purchase of food and beverages at a walk-up window or counter, no table service by a server, payment for food and beverages prior to consumption, and the packaging of food and beverages in disposable containers. A restaurant is not considered a fast food or take-out restaurant solely on the basis of incidental or occasional take-out sales.

4.2.4 Automobile Sales. The indoor sale of automobiles and, as an accessory use to the sale of automobiles, the sale of automobile accessories and automobile parts shall be permitted in Phase 1B, provided such use does not exceed 5,000 square feet of leasable floor area and provided that automobile repair and maintenance uses shall not be permitted.

4.2.5 Farmer’s Market. A certified Farmer’s Market, at which farmers and other vendors sell produce, baked goods, dairy products and other food and retail goods directly to consumers, is permitted to operate in the parking lot of Phase 1. A musician may be present, with amplified sound. The market will typically operate one day per week and only between the hours of 8:00 a.m. and 3:00 p.m., with set-up between 7 a.m. and 8:00 a.m. and clean-up between 3 p.m. and 4 p.m. The Farmer’s Market is not allowed to operate on the same day as the Farmer’s Market that operates in Downtown El Segundo. A site plan that includes the location of the Farmer’s market must be reviewed and approved to the satisfaction of the Director of Planning and Building Safety.

4.2.6 Parking. The total number of parking spaces provided on an individual parcel need not comply the El Segundo Municipal Code, provided that the total number of parking spaces within the entire Phase 1 Shopping Center conform to the El Segundo Municipal Code and provided that such parking spaces remain collectively available and accessible to all tenants of the Phase 1 Shopping Center and their customers, employees and invitees.

4.2.7 Monument Sign. For the 65 foot monument sign along the Allied Way street frontage for the area currently known as “The Edge,” copy relating to tenant identification shall be limited to that portion of the sign below 35 feet in height. All copy on the sign above 35 feet shall be restricted to identification of the shopping center itself.

4.3 Development Standards. All design and development standards that shall be applicable to the Property (“Development Standards”) are set forth in the El Segundo General Plan, the El Segundo Municipal Code, the Applicable Rules, the Project Approvals, and this Agreement. Additionally, the following restrictions apply:

4.3.1 Tenant/Owner Use Space. No single use within the Project shall exceed 125,000 square feet of gross floor area in size.

4.3.2 Limitations on Minimum Square Footage of Buildings and Space – Phase 1A Only. A maximum of 75,000 square feet of the allowable building area in the Phase 1A area can be developed and/or utilized for uses that occupy less than 4,000 square feet of building space each. With respect to such 75,000 square feet, a maximum of 8 building pads may be less than 4,000 square feet each. As used in this Agreement, the term “building pad” means the total ground floor area of any individual building constructed on the Property.

4.3.2.1 There is no limitation on the number of uses that may occupy less than 4,000 square feet in Phase 1B.

4.3.3 Transfer of Development Rights. The Developer shall have the right to transfer floor area between parcels that are created within Area A as a part of the Project Approvals so long as no parcel exceeds a floor area ratio of 0.6:1. Such transfers of floor area shall be recorded against the properties involved in the transfer of floor area in accordance with the requirements of the C-4 Zoning. The Planning and Building Safety Director or designee must review the application for transfer of floor area to ensure conformity with the requirements of this Section 4.3.3. This review shall not be subject to a public hearing process. Transfer of floor area from properties located outside of Area A to any parcel within Area A is strictly prohibited.

4.4 Building Standards. All construction on the Property shall adhere to the California Building Code, the California Electrical Code, the California Mechanical Code, the Uniform Sign Code, the Uniform Code for Abatement of Dangerous Buildings, and Uniform Administrative Code in effect at the time an application for a building permit is submitted and to any federal or state building requirements that are then in effect (collectively the “Building Codes”).

4.5 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 Applicable Rules, the Project Approvals and this Agreement. Additionally, Developer shall pay all applicable fees that are in effect at the time that fees are required to be paid pursuant to Section 6.2 of this Agreement. This Section shall not 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, 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 said approvals and permits are granted by City.

4.6 Use of Easements. Notwithstanding the provisions of the Applicable Rules, easements dedicated for vehicular and pedestrian use shall be 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.

5. Vesting of Development Rights.

5.1 Applicable Rules. The Applicable Rules shall consist of the following:

5.1.1 The General Plan, as it exists on the Effective Date;

5.1.2 The City's Municipal Code, including the Zoning Code, as the Municipal Code exists on the Effective Date;

5.1.3 Such other laws, ordinances, rules, regulations, and official policies governing permitted uses of the Property, density, design, improvement, 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.

5.2 Entitlement to Develop. The Developer is hereby granted the vested right to develop the Project on the Property subject to the Applicable Rules, the Project Approvals and any future approvals applied for by the Developer and granted by the City for the Project or the Property (the "Future Approvals").

5.3 Subsequent Enactments. Any change in the Applicable Rules, including, without limitation, any change in any applicable General Plan or specific plan, zoning, or subdivision regulation, adopted or becoming effective after the Effective Date, including, without limitation, any such 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, as the case may be (collectively the "Subsequent Rules"), which would, absent this Agreement, otherwise be applicable to the Property, shall not be applied by the City to any part of the Property.

5.4 Future Approvals.

5.4.1 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 City of El Segundo Director of Planning and Building Safety



(the “City Planning and Building Safety Director”) or designee, provided that such modifications are consistent with the Development Standards, Applicable Rules and Project Approvals. The City shall not unreasonably withhold or delay approval of any Minor Modification. The City shall have the right to impose reasonable conditions in connection with Minor Modifications, provided, however, such conditions shall not (a) be inconsistent with the Applicable Rules, the Project Approvals or with the development of the Project as contemplated by this Agreement; (b) 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 (c) impose additional dedications, infrastructure or public improvement obligations, fees, or exactions in excess of those identified in the Applicable Rules, the Project Approvals, or this Agreement.

5.4.2 Modification of Project Approvals. It is contemplated by City and Developer that Developer may, from time to time, pursuant to Section 5.4.1 seek amendments to one or more of the Project Approvals. Any such amendments are contemplated by City and Developer as being within the scope of this Agreement as long as they are authorized pursuant to this Section 5.4.2 and shall, upon approval by City, continue to constitute the Project Approvals as referenced herein. The Parties agree that any such amendments shall not constitute an amendment to this Agreement nor require an amendment to this Agreement.

5.4.3 Modifications Requiring Amendment to this Agreement. Any proposed modification to the Project which results in any of the following shall not constitute a Minor Modification but rather shall constitute a Major Modification and shall instead require an amendment to this Agreement pursuant to Section 15 below:

- (a) Any decrease in the required building setbacks as set forth in the C-4 Zone;
- (b) Any increase in the total developable square footage of the entire Property in excess of the maximum FAR allowed under the C-4 Zone;
- (c) Any increase in height of buildings or structures on the Property above 65 feet;
- (d) Any decrease in the minimum required lot area as set forth in the C-4 Zone;
- (e) Any decrease in the minimum required lot frontage as set forth in the C-4 Zone;
- (f) Except as set forth in Section 4.3.3 above, any change to the requirements of the transfer of development rights as set forth in the C-4 Zone;
- (g) Any increase in the maximum number of A.M. and P.M. peak hour vehicle trips for the Project as specified in the conditions of approval and Mitigation Monitoring

and Reporting Program (MMRP), unless a subsequent traffic report has been prepared to the reasonable satisfaction of the City's Planning and Building Safety Director that identifies potential impacts and proposes feasible mitigation measures to mitigate such impacts and otherwise complies with CEQA;

(h) Any change in use to a use which is not permitted under this Agreement;

(i) Any deviation from the uses and development standards or limitations set forth in Sections 4.1, 4.2 and 4.3 of this Agreement, except to the extent such Sections specifically provide for the City Council to approve of alternative uses or square footage requirements; and

(j) Any material modification to Developer's obligation to dedicate the public roadways to the City as provided in the conditions of approval and the MMRP.

Other than the Major Modifications listed above, all other modifications to the Project shall be considered "Minor Modifications".

5.5 Plan Review. Plans for each building on the Property, including plans for signage, trash enclosures and screening and landscaping shall be reviewed and approved by the City Planning and Building Safety Director prior to issuance of a building permit; provided however, that, notwithstanding anything to the contrary contained in the Applicable Rules, the sole purpose of such review shall be to verify consistency with the Development Standards, Applicable Rules and Project Approvals. The City Planning and Building Safety Director shall approve all features which are consistent with the Development Standards, Applicable Rules or Project Approvals or are otherwise specifically approved by this Agreement and shall have no authority to disapprove or conditionally approve any features or matters which are consistent with or otherwise have been specifically approved by the Agreement.

5.6 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 shall have 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 terms 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, shall apply to the Property. However, noting in this Section shall be construed to limit City's right to enforce Developer's obligation pursuant to this

Agreement to provide all infrastructure required by the project Approvals and this Agreement.

5.7 Term. This Agreement shall be in effect for a period of 20 years from the Effective Date of the Enabling Ordinance. However, Developer or City shall be entitled to, by written notice to the other Party prior to the Agreement's expiration, one (1) five (5)-year extension, provided that the requesting Party is not in material default of its obligations hereunder at such time.

5.8 Issuance of Building Permits. No building permit, final inspection or Certificate of Occupancy will be unreasonably withheld, conditioned, or delayed from the Developer 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 prior to completion of construction and all of the other relevant provisions of the Project Approvals, Future approvals and this Agreement have been satisfied.

5.9 Satisfaction of Mitigation Measures and Conditions. In the event that any of the mitigation measures or conditions required of Developer hereunder have been implemented by others, Developer shall be 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, the 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 shall be deemed to be a Minor Modification pursuant to Section 5.4.1 above.

5.10 Moratorium. The City shall not impose a moratorium on the Property unless such is necessary to protect a significant threat to the health, safety and welfare of the City.

5.11 Performance of City Planning and Building Safety Director Duties. If the City determines at any time during the term of this Agreement that the duties to be performed by the City Planning and Building Safety Director under this Agreement will be performed by one or more staff members other than the Planning and Building Safety Director, the City shall endeavor to notify the Developer of such change. The City shall 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.

## 6. Developer Agreements.

6.1 General. The Developer shall comply with (i) this Agreement, (ii) the Project Approvals, including without limitation all mitigation measures required by the determination made pursuant to the California Environmental Quality Act, and (iii) all Future Approvals for which it is the applicant or a successor in interest to the applicant.

6.2 Development Fees. Subject to the provisions of Section 4.4 above, Developer shall pay the development fees in effect at such time that building permits are issued for the Project. The Developer shall be entitled to credits against the City's traffic mitigation fees to the extent off-

site traffic improvements that are required by the Project Approvals are included in any subsequent traffic fee mitigation program adopted by the City pursuant to Government Code Section 66000 et seq. Such credits shall be based upon the actual audited costs and shall only be granted to the extent such improvements are constructed in accordance with all applicable state and local laws. The Developer waives any and all rights it may have to challenge development fees that are currently applicable to development within the City and the City's right to amend its current development fees and/or impose additional development fees. However, the Developer retains the legal right to challenge the amount of any such amended or increased development fees to the extent such are not in compliance with the requirements of Government Code Section 66000 et seq. as well as its right to receive credits against such amended or increased fees.

6.3 Maintenance Obligations. The Developer shall maintain all portions of the Property in its possession or control, and any improvements thereon, in a first class clean, neat and orderly manner. The Parties' respective maintenance obligations shall survive any termination or expiration of this Agreement.

6.4 Term of Map(s) and Other Project Approvals. Pursuant to California Government Code Sections 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 shall be extended for a period of time through the scheduled termination date of this Agreement as set forth in Section 5.7 above.

6.5 Sales and Use Tax.

(a) In the event the contract price for any work on the Project is valued at five million dollars (\$5,000,000,000) 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 shall indicate the City as a registered job site location on the State Board of Equalization Tax Return. In such event, Developer shall 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.

(b) 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 shall contain the provisions set forth in Subsection (a) above.

(c) The Director of Finance of the City is authorized to relieve Developer, and Developer's contractors and subcontractors, from the requirements set forth in this Section 6.5 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.

6.6 Future Construction Activities. Future development in the C-4 Zone will likely involve the construction of significant public infrastructure improvements (including, without

limitation, public roadways and utilities). The Developer, owners and occupants of the Property are hereby on notice that such construction activities may result in reduced access to the Property and other temporary physical and financial negative impacts to the Property and the uses thereon due to traffic re-routing, noise, dust, vibration and other normal and temporary construction related impacts. Developer and owners of the Property agree not to file any claims or legal or equitable actions against the City, or against other developers in the C-4 Zone, relating to, or arising from, temporary negative impacts associated with the construction of public improvements; nor shall Developer or the owners of the Property seek to enjoin the construction activities or seek damages based upon or arising out of alleged or actual temporary business interruption to or temporary business financial losses incurred by the Developer, owners or occupants of the Property. The Developer and owners of the Property agree to include a similar provision in all future leases, or future amendments to current leases and the City shall be listed as a third-party beneficiary to such provision. This provision shall survive the termination of this Agreement and shall remain in effect for a period of 30 years from the effective date of this Agreement.

6.7 Park Place Extension. The Second Amendment to the Original Development Agreement contained provisions which provided as follows:

6.7.1 Park Place Extension Requirement. Concurrently with the City's approval of the original Project Approvals, the City also redesignated and rezoned the Other C-4 Property with a "Commercial Center (C-4)" land use and zoning designation. In connection with the development of the Other C-4 Property, Developer has acknowledged that, as an integral part of being permitted to fully develop the Other C-4 Property, Park Place (a four-lane east-west street) will be required to be extended from its existing terminus at Nash Street to connect with Park Place in Area A (the "Park Place Extension"). To affirm Developer's commitment to develop Park Place as an integral part of the development of the Other C-4 Property if Developer or an affiliate acquires and develops substantially all of the Other C-4 Property, City has requested and Developer has agreed that as Developer, or any affiliate of Developer, acquires portions of the Other C-4 Property, to the extent such acquired portions of the Other C-4 Property include segments of the right-of-way for the Park Place Extension (the "Park Place Segments"), Developer or its affiliate shall cause the Park Place Segments to become the subject of an irrevocable offer of dedication to the City.

6.7.2 Park Place Extension Funding. In addition to agreeing to cause the Park Place Segments to become the subject of an irrevocable offer of dedication in accordance with the provisions of Recital 6.7.1 above, Developer has agreed, subject to the satisfaction of the "Park Place Extension Conditions Precedent" (as hereinafter defined) and certain other conditions (set forth in the remainder of this section 6.7 below), to fund up to Two Million Four Hundred Eighteen Thousand Dollars (\$2,418,000) (the "Park Place Extension Fund") to City in order to permit City to undertake the activities to extend Park Place which includes (a) that portion of the Park Place Extension (the "Honeywell Park Place Segment") that is currently owned by Honeywell International ("Honeywell"), (b) that portion of the Park Place Extension (the "Chevron Park Place Segment") that is currently owned by Chevron Corporation ("Chevron") and (c) that portion of the Park Place Extension (the "Union Pacific RR Park Place Segment") that is currently owned by the Union Pacific Railroad. The approximate locations of the Honeywell Park Place Segment, the

Chevron Park Place Segment and the Union Pacific RR Park Place Segment are depicted on **EXHIBIT C** attached hereto and incorporated herein by reference. In order to secure Developer's obligation to make the Park Place Extension Fund payment, Developer has agreed to cause Developer's affiliate, Rosecrans-Sepulveda Partners, 4, LLC's ("RSP 4") to execute the "RSP 4 Deed of Trust" (as hereafter defined) in favor of City covering approximately 8.76 acres of the Other C-4 Property currently owned by RSP 4 (the "RSP 4 Property"). In addition, in order to ensure that Developer complies with its Park Place Extension Fund obligation, Developer has agreed that a condition precedent to Developer's right to receive a Certificate of Occupancy for any building in the Other C-4 Property shall be RSP 4's execution of the RSP 4 Deed of Trust.

6.7.3 Irrevocable Offers to Dedicate. To the extent Developer, or any affiliate of Developer, acquires any portion of the Other C-4 Property and such acquired portion contains any portion of the designated right-of-way for Park Place, Developer shall execute, or cause its affiliate to execute, an irrevocable offer to dedicate such designated right-of-way portion of Park Place to the City. As used in this Section 6.7, the term "affiliate" shall mean an entity controlling, controlled by or under common control with the entity to which the term applies, whether by ownership, contract or voting control. In addition, the term "affiliate" shall mean any entity that was a member of RSP 2, which was a predecessor in interest to Developer ("Member"), which Members included Mar El Segundo, LLC, a Delaware limited liability company, CCA Sepulveda, LLC, a California limited liability corporation, Continental Rosecrans-Sepulveda, Inc., a California corporation, Daniel Romano, an individual, and any affiliate of any Member. The term "affiliate" shall also include, individually, Richard Lundquist, Allan Mackenzie, Robert Comstock and Daniel Crosser.

Notwithstanding the foregoing, no irrevocable offer to dedicate shall be accepted by City until (a) the alignment of the right-of-way for the Park Place Extension has been approved by the City Engineer and any other governmental agencies having jurisdiction over such right-of-way and (b) City has initiated such steps as may be required to acquire the right-of-way for those portions of the Park Place Extension, including, without limitation, those portions owned by existing railroads, pipeline easement holders, utilities and/or other third parties whose rights could impact or interfere with the construction and use of the Park Place Extension, that have not otherwise been offered for dedication to City (cumulatively, the "Park Place Extension Conditions Precedent").

6.7.4 Developer Funding. Developer's Funding of City's Acquisition of the Honeywell, Chevron and Union Pacific RR Park Place Segments; Security for Developer's Performance. Subject to the satisfaction of the Park Place Extension Conditions Precedent and to all applicable governmental permits and requirements (federal, state and/or local) including, without limitation, compliance with CEQA and laws relating to hazardous materials, having been obtained and/or satisfied with respect to the approval, design, remediation and construction of the Park Place Extension and a funding plan for the design and construction of the Park Place Extension having been approved by City (which funding plan may include Developer's payment of the Park Place Extension Fund in accordance with the provisions of this Section 6.7 and any other dedications and payments as Developer, or any Developer affiliate, may agree to in connection with the development of Area B), Developer agrees, upon the (a) commencement by



City of acquisition of the right-of-way for the Honeywell Park Place Segment, the Chevron Park Place Segment and/or the Union Pacific RR Park Place Segment, and (b) award of a construction contract to extend Park Place to pay, within thirty (30) days of Developer's receipt of a written request from City, to City that portion of the Park Place Extension Fund to the extent City requires all or any portion of such Fund in order to complete its acquisition of the Honeywell, Chevron and/or Union Pacific RR Park Place Segment(s). In order to secure the obligation of Developer to make the Park Place Extension Fund payment, Developer shall cause RSP 4 to execute and record a Deed of Trust secured by the RSP 4 Property, such Deed of Trust to be in a form mutually and reasonably agreed upon by City and RSP 4 (the "RSP 4 Deed of Trust") and shall only be subject to the encumbrances identified on **EXHIBIT D** attached hereto and incorporated herein by reference. Developer shall cause an ALTA title policy in the amount of \$2,418,000 to be issued to the City for the RSP 4 Deed of Trust. In order to ensure RSP 2's performance in accordance with the provisions of this Section 6.7.4, no Certificate of Occupancy shall be issued by City for any building in Phase 1B until RSP 4 has executed and recorded the RSP 4 Deed of Trust and the title policy has been issued to the City. In addition, Developer agrees to use reasonable business efforts to cause Honeywell, subject to the Park Place Conditions Precedent, to irrevocably offer to dedicate the Honeywell Park Place Segment to the City. RSP hereby acknowledges that the dedications and payments referenced in Section 6.7.3 and 6.7.4 of this Agreement may not represent the entire share of the costs that Developer or its affiliates may be ultimately required to pay towards the extension of Park Place.

6.7.5 Funding/Financing for the Design, Acquisition and Construction of the Park Place Extension. The Parties agree to continue to work together to identify and seek to secure funding and/or financing sources for the design, acquisition and construction of the Park Place Extension.

6.7.6 Use of Park Place Extension Funds for Construction of Park Place. To the extent the entire Park Place Extension Fund is not required to be used by City for the acquisition of the Honeywell, Chevron and/or Union Pacific RR Segments, any funds remaining shall be paid to City by Developer within thirty (30) days of Developer's receipt of a written request from City confirming the award of a construction contract to extend Park Place; provided, however, to the extent Developer, or any affiliate of Developer, from time to time, acquires all or any portion of the Honeywell, Chevron and/or Union Pacific RR Segments, the Park Place Extension Fund shall be reduced by an amount equal to \$30 multiplied by the total number of square feet in the Honeywell, Chevron and/or Union Pacific RR Segments acquired by Developer, or any affiliate of Developer, and irrevocably offered for dedication to the City in accordance with the provisions of Section 6.7.3 above.

6.7.7 City Acknowledgement of Transfer of Responsibilities and Recordation of RSP 4 Deed of Trust. City acknowledges that the requirements of this Section 6.7 relating to the RSP 4 Deed of Trust has been satisfied. The RSP 4 Deed of Trust was recorded as Instrument Number 20120003205 on January 3, 2012 in the County Recorder's Office of Los Angeles County. City further acknowledges that Developer and RSP4 recorded an Amended and Restated Restrictive Covenants and Grant of Easements Agreement whereby RSP 4 agreed to comply with all obligations regarding the Park Place Extension ("Revised Restrictive Covenant"). This

document was recorded as February 2, 2012 as Instrument Number 20120190609 in the County Recorder's Office of Los Angeles County. The City acknowledges that the obligations set forth in this Section 6.7 are of no further force and effect as it pertains to Developer. The sections are set forth above for purposes of providing a reference for the Revised Restrictive Covenant.

6.8 Third-Party Agreements Restricting Uses on Property. Developer warrants and represents that it has not and will not enter into any agreements with third-parties, or record any restrictions against the Property, which directly or indirectly limit the potential uses for the Property that are currently permitted pursuant to this Agreement or in the C-4 Zone in any respect, including but not limited to types and/or sizes of structures or businesses, types of uses, or the owners of any businesses allowed on the Property. The Developer may request that the City Council consent to any such restriction which consent may be withheld in the City Council's sole discretion. Without acknowledging that any of the uses identified in (5) and (7) below are permitted pursuant to this Agreement or the C-4 Zone, the provisions of this Section 6.11 shall not apply to, or affect or restrict the terms of: (1) any lease between the Developer and a bona fide tenant of the Property for purposes of restricting competition relating to the tenant's business; (2) any purchase and sale agreement between the Developer and a bona fide retail business/purchaser of one or more parcels of the property for purposes of restricting competition relating to the retailer's business; (3) any agreement or permit between the Developer and any federal, state or regional regulatory agency (not including the County of Los Angeles (except to the extent County permits may be required to drill any wells on the Property and/or to discharge into the sanitary sewer system) or cities), such as, but not limited to the Army Corps of Engineers, the Environmental Protection Agency, the Department of Fish and Wildlife, the Department of Toxic Substances Control, the Public Utilities Commission, the Regional Water Quality Control Board and the California Department of Fish and Game; (4) normal and customary covenants, conditions and restrictions for retail centers (commonly referred to as "CC&R's") so long as such do not restrict the uses that are currently permitted on the Property pursuant to this Agreement or the C-4 zone; (5) any restrictions on residential, health care, child care, schools, or other similar uses imposed by the current owner of the Property, Honeywell International Inc.; (6) any restrictions on using groundwater underneath the Property for human consumption, irrigation, or other purposes that might bring groundwater into contact with humans; or (7) restrictions prohibiting bowling alleys, arcades, skating rinks, billiard rooms, carnivals or circuses, the sale of used goods or materials, dance halls, bars (not including bars that are an ancillary use to another permitted use); funeral parlors, the sale of paraphernalia for use with illegal drugs, automobile services (including but not limited to service stations), automobile sales, liquidation sales (not including court ordered sales), veterinary services (except as ancillary use to a pet store), tattoo parlors and pawn shops.

## 7. City/Developer Agreements.

7.1 Expedited Processing. The City shall process, at Developer's expense, 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 the

City's accelerated plan check process under the Applicable Rules. Without limiting the foregoing, if requested by Developer, the 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.

7.2 Processing Cooperation and Assistance. To the extent permitted by law, the City shall reasonably cooperate with the 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, the City shall reasonably cooperate with the Developer in any dealings with federal, state and other local governmental and quasi-governmental entities concerning issues affecting the Property. The City shall endeavor to keep the Developer fully informed with respect to its communications with such agencies which could impact the development of the Property.

7.3 Processing During Third Party Litigation. The filing of any third party lawsuit(s) against the City or the 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 shall not hinder, delay or stop the development, processing or construction of the Project, approval of the Future approvals, or issuance of ministerial permits or approvals, unless the third party obtains a court order restraining the activity.

8. Modification/Suspension. Pursuant to Government Code Section 65869.5, in the event that any state or federal law or regulation, enacted after the Effective Date (as defined in Section 18), precludes compliance with any provision of this Agreement, such provision shall 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 shall be restored to their full original effect.

9. Demonstration of Good Faith Compliance.

9.1 Review of Compliance. In accordance with Government Code Section 65865.1, this Section 9 and the Applicable Rules, once each year, on or before each anniversary of the Effective Date ("Periodic Review"), the City Planning and Building Safety Director shall review the extent of the 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.

9.2 Good Faith Compliance. During each Periodic Review, the Developer shall demonstrate by written status report that, during the preceding twelve (12) month period, that it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase "good faith compliance" shall mean that the Developer has demonstrated that it has acted in a commercially reasonable manner (taking into account the circumstances which then exist) and in good faith in and has substantially complied with the Developer's material obligations under this Agreement.

9.3 Information to be Provided to Developer. The City shall deliver to the 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, but in no event later than six (6) business days prior to the City Planning and Building Safety Director's submittal of a report setting forth his or her determination as to the results of the Periodic Review. Subject to the provisions of Section 14.1 below, upon the Developer's request, the Developer shall be given a full and adequate opportunity to be heard orally and in writing regarding its performance and, at its option, the city's performance under the Agreement prior to the completion of the City Planning and Building Safety Director's Periodic Review.

9.4 Notice Of Non-Compliance; Cure Rights. Subject to the provisions of Section 14.1 below, if at the completion of any Periodic Review, the City Planning and Building Safety Director reasonably concludes on the basis of substantial evidence that as to any parcel or parcels comprising the Property (i) the Developer has not demonstrated that it is in good faith compliance with this Agreement, and (ii) that the Developer is out of compliance with a specific substantive term or provision of this Agreement, then the City Planning and Building Safety Director may issue and deliver to the Developer a written Notice of Violations set forth in Section 11.1 below.

9.5 Determination of Developer's Compliance. If the City Planning and Building Safety Director determines that the Developer has demonstrated that it is in good faith compliance with this Agreement, the City Planning and Building Safety Director's determination shall be deemed final and non-appealable. If the Developer appeals to the Planning Commission a determination by the City Planning and Building Safety Director that the Developer is not in compliance with this Agreement and the Planning Commission determines that the Developer has demonstrated that it is in good faith compliance with this Agreement, the Planning Commission's determination shall be deemed final and non-appealable. If the Developer appeals to the City Council a determination by the Planning Commission that the Developer is not in compliance with this Agreement and the City Council determines that the Developer has demonstrated that it is in good faith compliance with this Agreement, the City Council's determination shall be deemed final and non-appealable.

9.6 Failure of Periodic Review. The City's failure to review, at least annually, compliance by the Developer with the terms and conditions of this Agreement shall not constitute or be asserted by any Party as a breach by any other Party of this Agreement.

10. Excusable Delays. Performance by any Party of its obligations hereunder shall be excused during any period of "Excusable Delay," as hereinafter 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 shall mean delay that directly affects, and is beyond the reasonable control of, the party claiming the delay, including without limitation: (1) act of God; (b) civil commotion; (c) riot; (d) strike, picketing or other labor dispute; (e) shortage of materials or supplies; (f) damage to work in progress by reason of fire, flood, earthquake or other casualty; (g) reasonably unforeseeable delay caused by a reasonably

unforeseeable restriction imposed or managed by a governmental entity other than City; (h) litigation brought by a third party attacking the validity of this Agreement, a Project Approval, a Future Approval or any other action necessary for development of the Property, (i) delays caused by any default by City or the Developer hereunder, or (j) delays due to the presence or remediation of hazardous materials. The term of this Agreement shall be extended by any period of Excusable Delay.

## 11. Default Provisions.

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

11.2 Content of Notice of Violation. Every Notice of Violation shall state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, (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. The notice shall be deemed given in accordance with Section 19 hereof.

11.3 Remedies for Breach. The Parties agree that the remedies for breach of this Agreement shall be limited to the remedies expressly set forth in this section. Developer's remedies for any breach of this Agreement by City shall be limited to injunctive relief and/or specific performance.

12. Mortgagee Protection. This Agreement shall 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. The 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 the Developer and representatives of such lender(s) to provide within a reasonable time period the City's response to such requested interpretations. The 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 shall be entitled to the following rights and privileges:

12.1 Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement shall 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 shall have an obligation or duty under this Agreement to perform the Developer's obligations, or to guarantee such performance, prior to taking title to all or a portion of the Property.

12.2 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, shall be entitled to receive a copy of any Notice of Violation delivered to the Developer.

12.3 Mortgagee's Time to Cure. The city shall provide a copy of any Notice of Violation to the Mortgagee within ten (10) days of sending the Notice of Violation to the Developer. The Mortgagee shall have the right, but not the obligation, to cure the default for period of thirty (30) days after receipt of such Notice of Violation. Notwithstanding the foregoing, if such default shall be 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 shall have 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.

12.4 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, shall succeed to the rights and obligations of the Developer under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of the Developer arising prior to acquisition of title to the Property by such Mortgagee, except that any such Mortgagee shall not be 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.

12.5 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 the Developer, the times specified in Section 12.3 above shall be extended for the period of the prohibition, except that any such extension shall not extend the term of this Agreement.

12.6 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 the Developer or its property, the City, if



requested by any Mortgagee, shall 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.

13. Estoppel Certificate. At any time and from time to time, the Developer may deliver written notice to City and City may deliver written notice to the Developer requesting that such Party certify in writing that, to the knowledge of the 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 shall execute and return the certificate within thirty (30) days following receipt of the notice. The failure of the City to deliver such a written notice within such time shall constitute a conclusive presumption against the City that, except as may be represented by the 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 City Planning and Building Safety Director shall be authorized to execute, on behalf of the City, any Estoppel Certificate requested by the Developer. City acknowledges that a certificate may be relied upon by successors in interest to the Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Property in which that Developer has a legal interest.

14. Administration of Agreement.

14.1 Appeal of Staff Determinations. Any decision by City staff concerning the interpretation or administration of this Agreement of development of the Property in accordance herewith may be appealed by the Developer to the Planning Commission, and thereafter, if necessary, to the City Council pursuant to the El Segundo Municipal Code. The Developer shall not seek judicial review of any staff decision without first having exhausted its remedies pursuant to this Section. Final determinations by the City Council are subject to judicial review subject to the restrictions and limitations of California law.

14.2 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 term of this Agreement, City and Developer agree that such clarifications are necessary or appropriate, they shall effectuate such clarification through operating memoranda approved in writing by City and Developer, which, after execution, shall 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 the Developer. Operating Memoranda are not intended to and shall not constitute an amendment to this Agreement but are mere ministerial clarifications, therefore public notices and hearings shall not be required. The City Attorney shall be 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 15 below. The

authority to enter into such operating memoranda is hereby delegated to the City Planning and Building Safety Director, and the City Planning and Building Safety Director is hereby authorized to execute any operating memoranda hereunder without further City Council action.

14.3 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, the City shall provide the Developer, upon the Developer's request, with a statement ("Certificate of Performance") evidencing said completion or revocation and the release of the Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance shall be signed by the appropriate agents of the Developer and the City and shall 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 California Civil Code Section 3093.

15. 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 the Developer, and upon compliance with the provisions of Government Code Section 65867.

16. Indemnification/Defense.

16.1 Indemnification. The Developer shall indemnify, defend with counsel reasonably acceptable to the City, and hold harmless the City and its officers, employees and agents from and against any and all losses, liabilities, fines, penalties, costs, claims, demands, damages, injuries or judgments arising out of, or resulting in any way from, the Developer's performance pursuant to this Agreement except to the extent such is a result of the City's negligence or intentional misconduct.

Developer shall indemnify, defend with counsel reasonably acceptable to the City, and hold harmless the City and its officers, employees and agents from and against any action or proceeding to attack, review, set aside, void or annul this Agreement or the Project Approvals or any provisions thereof, including without limitation the CEQA determination and rezoning relating to the Other C-4 Property which is not otherwise the subject of this Agreement.

16.2 Defense of Agreement. If the City accepts Developer's indemnification and defense as provided in Section 16.1 above, the City agrees to and shall timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement and the Applicable Rules. This Section 16 shall survive the termination of this Agreement.

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

18. Effective Date. This Agreement shall become operative on the date the Enabling Ordinance approving this Revised and Restated Development Agreement becomes effective (the "Effective Date") pursuant to Government Code Section 36937.

19. Notices. Any notice shall be in writing and given by delivering the same in person or by sending the same by registered or certified mail, return receipt requested, with postage prepaid, by overnight delivery, or by facsimile to the respective mailing addresses, as follows:

If to City: City of El Segundo  
350 Main Street  
El Segundo, CA 90245  
Attention: City Clerk

With a Copy to: Hensley Law Group  
3655 Torrance Boulevard, Suite 300  
Torrance, California 90503  
Attention: Mark D. Hensley, Esq.

If to Developer: Street Retail Inc.  
Debbie Colson  
Senior Vice President, Legal Operations  
1626 E. Jefferson Street  
Rockville, MD 20852-404

With a Copy to: Jeffrey S. Berkes  
Vice President  
Federal Realty Investment Trust  
356 Santana Row, Suite 1005  
San Jose, CA 95128

With a Copy to: Law Offices of Lisa E. Kranitz  
1031 Avenue C  
Redondo Beach, CA 90277

Either City or Developer may change its mailing address at any time by giving written notice of such change to the other in the manner provided herein at least ten days prior to the date such change is affected. All notices under this Agreement shall be deemed given, received, made or communicated on the earlier of the date personal delivery is effected or on the delivery date or attempted delivery date shown on the return receipt, air bill or facsimile.

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

21. Conditions of Approval. The Conditions of Approval are amended as set forth in **EXHIBIT E**, which is attached hereto and incorporated herein by reference.

22. Waiver. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar; nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless it is executed in writing by a duly authorized representative of the Party against whom enforcement of the waiver is sought.
23. 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 shall be effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.
24. 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 shall be construed as creating the relationship of partners, joint ventures or any other association of any kind or nature between City and Developer, jointly or severally.
25. No Third Part 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 shall have any right of action based upon any provision of this Agreement.
26. Recordation of Agreement and Amendments. This Agreement and any amendment thereof shall be recorded with the County Recorder of the County of Los Angeles by the City Clerk of City.
27. Cooperation Between City and Developer. City and Developer shall 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.
28. Rules of Construction. The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they shall not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision of this Agreement be found to be in conflict with any provision of the Applicable Rules or the Project Approvals or the Future Approvals, the provisions of this Agreement shall control.
29. Joint Preparation. This Agreement shall be deemed to have been prepared jointly and equally by the Parties, and it shall not be construed against any Party on the ground that the Party prepared the Agreement or caused it to be prepared.
30. Governing Law and Venue. This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California shall govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this

Agreement shall be filed in the appropriate court having jurisdiction in the County of Los Angeles.

31. Attorneys' Fees. In the event any action, suit or proceeding is brought for the enforcement or declaration of any right or obligation pursuant to, or as a result of any alleged breach of, this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and litigation expenses and costs, and any judgment, order or decree rendered in such action, suit or proceeding shall include an award thereof.

Attorneys' fees under this section shall include attorneys' fees on any appeal and any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

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

33. 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 shall fall upon a Saturday, Sunday or holiday observed by federal savings banks in the State of California, the date for such determination or action shall be extended to the first business day immediately thereafter.

34. Not a Public Dedication. Except as otherwise expressly provided herein, nothing herein contained shall be deemed to be 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. The Developer shall have 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 shall be held and used by the City only for the purposes contemplated herein or otherwise provided in such conveyance, and the City shall 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.

**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: \_\_\_\_\_

Mayor

ATTEST

\_\_\_\_\_  
Tracy Weaver  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Mark D. Hensley, City Attorney

DEVELOPER:

PESP

PES PARTNERS, LLC, a Delaware limited liability company

By: Street Retail, Inc., a Maryland corporation  
Its: Manager

By: \_\_\_\_\_  
Jeffrey S. Berkes, Vice-President  
Western Region

STREET

STREET RETAIL, INC., a Maryland corporation

By: \_\_\_\_\_  
Jeffrey S. Berkes, Vice-President

Western Region





**EXHIBIT A**

**LEGAL DESCRIPTIONS**

**The Plaza El Segundo Property – Phase 1A**

Lots 1 through 17 of Vesting Tract No. 61630, in the City of El Segundo, County of Los Angeles, State of California, as per map filed in Book 1370, Pages 41 through 51, of Maps, in the Office of the County Recorder of said County.

**The Point Property – Phase 1B**

Parcel 1 of the Certificate of Compliance, in the City of El Segundo, County of Los Angeles, State of California, Recorded July 29, 2013, as Instrument No. 20131105767 of the Official Records, in the Office of the County Recorder of said County.

**EXHIBIT B**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

Recording Requested By and  
When Recorded Mail To:  
Street Retail, Inc.  
Boris Ipekar, Legal Counsel  
1626 East Jefferson Street  
Rockville, MD 20852

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## **ASSIGNMENT AND ASSUMPTION AGREEMENT**

This ASSIGNMENT AND ASSUMPTION AGREEMENT (“Agreement”) is made and entered into by and among PES Partners, LLC, a Delaware limited liability company (“PESP”) and Street Retail, Inc., a Maryland Corporation (“Street”) (“Assignors”), and \_\_\_\_\_, a \_\_\_\_\_ (“Assignee”).

### **RECITALS**

A. The City of El Segundo (“City”) and Assignor entered into that certain Revised and Restated Development Agreement dated \_\_\_\_\_, 20\_\_ (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 but not limited to 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 shall be considered as conclusive proof of delivery of this Agreement and of the assignment and assumption contained herein. This Agreement shall be 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”

PESP

PES PARTNERS, LLC, a Delaware limited liability company

By: Rosecrans-Sepulveda Partners 3, LLC, a Delaware limited liability company

Its: Sole Member

By: Street Retail, Inc., a Maryland corporation

Its: Manager

By: \_\_\_\_\_

Jeffrey S. Berkes, Vice President – Western Region

STREET

STREET RETAIL, INC., a Maryland corporation

By: \_\_\_\_\_

Jeffrey S. Berkes, Vice President – Western Region

“ASSIGNEE”

\_\_\_\_\_,  
a \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_



RECEIPT BY CITY

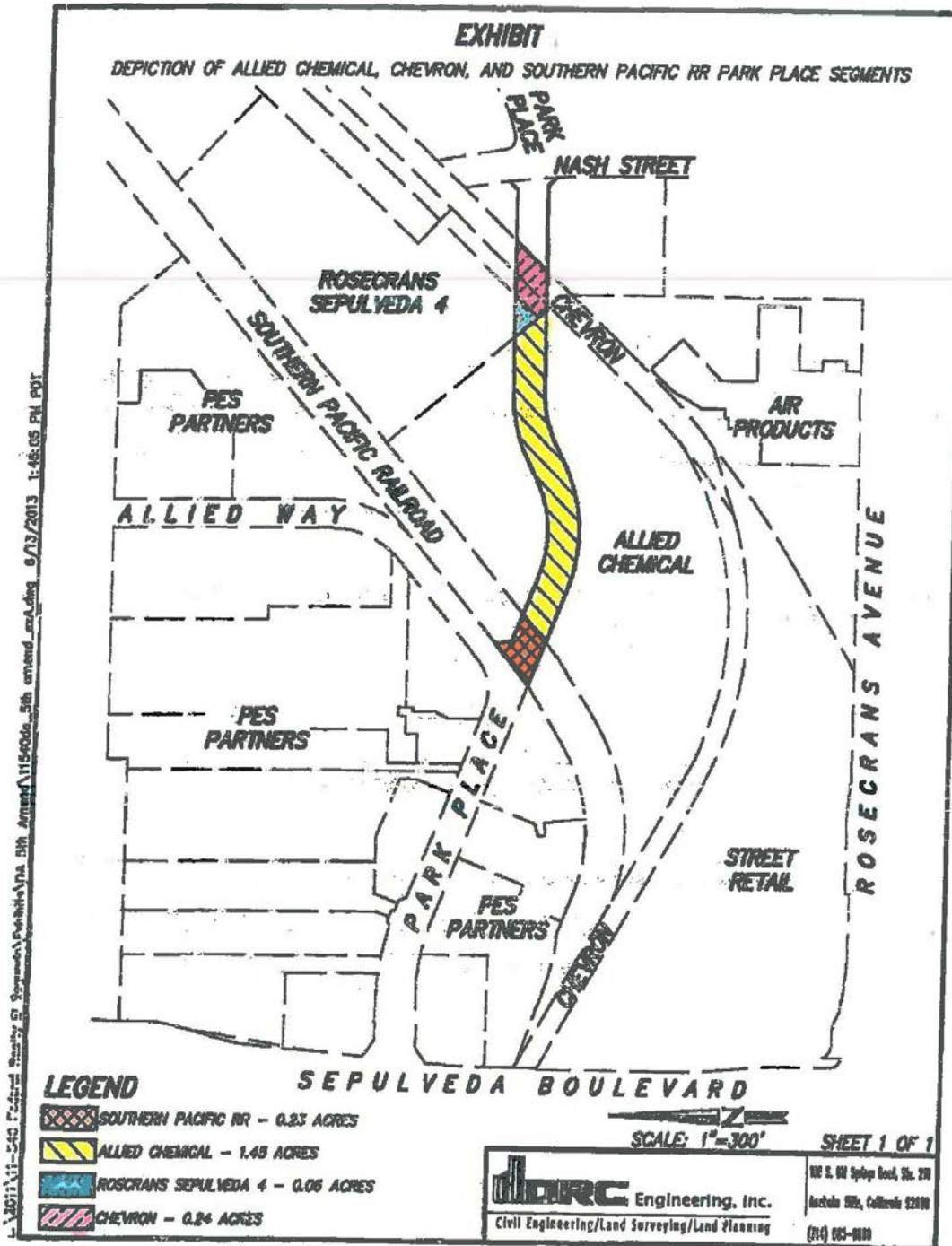
The attached ASSIGNMENT AND ASSUMPTION AGREEMENT is received by the City of El Segundo on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CITY OF EL SEGUNDO

\_\_\_\_\_  
By: \_\_\_\_\_  
Planning and Building Safety Director or  
Designee

# EXHIBIT C

## PARK PLACE SEGMENTS



## **EXHIBIT D**

### **ENCUMBRANCES TO WHICH THE RSP 4 DEED OF TRUST MAY BE SUBJECT**

The RSP 4 Deed of Trust may only be encumbered by the exceptions identified in Section A of Schedule B (Items 1 through 5), and Section B of Schedule B (Items A, B, C.1 through C.5), of that certain preliminary title report issued by Commonwealth Land Title Company on November 7, 2007 (File No. 06158316-27).

**EXHIBIT E**  
**CONDITIONS**

**EXHIBIT “D” TO RESOLUTION NO.\_\_\_\_**

**EXHIBIT “E” TO REVISED AND RESTATED  
DEVELOPMENT AGREEMENT**

**CONDITIONS OF APPROVAL**

The following conditions are binding upon the property owner(s) and their successors in interest, including without limitation occupants of the property.

1. All mitigation measures in the Environmental Impact Report (SCH No. 2003121037) for Environmental Assessment No. 631, Development Agreement No. 03-1, General Plan Amendment No. 03-4 & 03-5, Zone Change No. 03-2 & 03-3, Zone Text Amendment No. 04-1, and Subdivision No 03-7, which are reflected in the Mitigation Monitoring and Reporting Program for the Sepulveda/Rosecrans Site Rezoning Reduced Traffic Generation Alternative and Plaza El Segundo Development Reduced Traffic Generation Alternative are incorporated by this reference into these conditions of approval.

## **DEFINITIONS**

2. Unless the contrary is stated or clearly appears from the context, the following definitions will govern the construction of the words and phrases used in these conditions.
  - A. “P.B.S. Director” means the City of El Segundo Director of Planning and Building Safety, or designee.
  - B. “EIR” means the Final Environmental Impact Report for the proposed Sepulveda/Rosecrans Site Rezoning and Plaza El Segundo development project (SCH No. 2003121037), El Segundo, California.
  - C. “ESMC” means the El Segundo Municipal Code.
  - D. “Development Agreement” or “Agreement” refers to the Revised and Restated Development Agreement.
  - E. “Project Area” refers to each of the developable lots on the Plaza El Segundo development Project Site as shown on Vesting Tentative Tract Map No. 061630 in the City of El Segundo, County of Los Angeles, State of California, filed on June 6, 2012, Book 1370, pages 41-51, and refers to Lot 1 of Lot Line Adjustment No. 13-04 as reflected in that Certificate of Compliance, in the City of El Segundo, County of Los Angeles, State of California, recorded on July 29, 2013, as Instrument No. 2013-1105767, of official records in the office of the County Recorder of said County.
  - F. “Project Site” refers to the 51.7 gross/46.60 net (after street dedications) acre site generally located south of Hughes Way, east of Sepulveda Boulevard, west of Douglas Street, and north of Rosecrans Avenue.
  - G. “Project Site Phase 1B” refers to the 13.050 gross/12.63 net acre site as shown as Lot 1 of the Lot Line Adjustment No. 13-04 as reflected in that Certificate of Compliance, in the City of El Segundo, County of Los Angeles, State of California, recorded on July 29, 2013, as Instrument No. 2013-1105767, of official records in the office of the County Recorder of said County, generally located south of the Union Pacific Railroad, east of Sepulveda Boulevard, west of Douglas Street and north of Rosecrans Avenue.



- H. “Phase 1A” refers to the portion of the Project Area located north of the Union Pacific Railroad right-of-way.
  - I. “Phase 1B” refers to the portion of the Project Area located south of the Union Pacific Railroad right-of-way.
  - J. “Sepulveda/Rosecrans Rezoning Site” refers to the approximately 110 acres generally located south of Hughes Way, east of Sepulveda Boulevard, west of Douglas Street, and north of Rosecrans Avenue which is the subject of a General Plan and Zoning Code Amendment that is being considered concurrently with the land use entitlements for the Project Area and the Project Site.
2. Except as otherwise specified in these Conditions of Approval, conditions must be satisfied before the issuance of a Building Permit for each building within the Project Area.

## **AESTHETICS**

### **Lighting**

3. Before the issuance of the first Building Permit in the Project Area, the applicant must submit a Lighting Master Plan for the Project Area for the review and approval of the P.B.S. Director and the Police Chief. A Lighting Plan (construction drawings) and Photometric Study, consistent with the Lighting Master Plan must be reviewed and approved by the P.B.S. Director and the Police Department before the issuance of each Building Permit and must be installed before the issuance of each Certificate of Occupancy in the Project Area. The Lighting Plan and Photometric Study must demonstrate that the proposed project allows minimum off-site illumination but still complies with Police Department safety requirements.
4. The Lighting Master Plan must include, without limitation:
- a. Specific details for Foot-candle intensity;
  - b. Specific lighting detail for parking areas and structures; pedestrian walkways; and access ways in and around buildings;
  - c. On-site light fixtures that have been designed to direct the light downward and internal to the proposed project site to minimize off-site illumination;
  - d. Specific detail regarding the location, type and height of lighting devices;
  - e. Specific detail to illustrate compliance with the ESMC; and,

- f. Weather and vandal resistant covers on lighting fixtures.
5. Before the issuance of each Certificate of Occupancy, the applicant must provide evidence to the P.B.S. Director and the Police Chief that outdoor lighting design has been installed in compliance with the approved Lighting Master Plan for the building that is the subject of the Certificate of Occupancy.

### **Materials and Design**

6. Before the issuance of the first Building Permit in the Project Area, the applicant must submit Final Working Drawings to the P.B.S. Director for design review. The applicant must provide a Building Materials Sample Board of the materials, colors, and elevation drawings to be utilized to the P.B.S. Director for review and approval. The design review must include, without limitation, the following design guidelines:
  - a. All colors, textures, and materials on exterior elevation(s) must be coordinated to achieve a continuity of design;
  - b. Exterior building materials must be compatible with developments in the vicinity;
  - c. At least two primary exterior building materials (including, without limitation, stucco, stone, rock, and brick) must be used throughout the Plaza El Segundo project;
  - d. The buildings must have contrasting accent features. Building materials must be of non-reflective coatings and glazings;
  - e. The plans must demonstrate substantial compliance with plans and conditions approved and on file with the Planning and Building Safety Department. Any subsequent modification to the project as approved must be referred to the P.B.S. Director for a determination regarding the need for Planning Commission review of the proposed modification in accordance with the provisions of the Development Agreement;
  - f. All buildings must be in accordance with the Project Area's Conditions, Covenants and Restrictions (CC&R's);
  - g. All buildings must utilize energy efficient floor plans and controlled HVAC and heat generating equipment to reduce energy use for cooling and ventilation;
  - h. All roof-mounted mechanical equipment and communications devices must be hidden behind building parapets or screens to screen these devices from off-site ground level view;
  - i. Ground level mechanical equipment, refuse collectors, storage tanks, monitoring wells, generators, and other similar facilities must be screened from view with

dense landscaping and walls of materials and finishes compatible with adjacent buildings;

- j. Service, storage, maintenance, utilities, loading, and refuse collection and other similar areas must be located out of the view of public roadways and buildings and screened by dense landscaping and solid walls, unless the PBS Director determines such is not practicable. No chain link fences may be used for such screening;
- k. Walls along the north property boundary of the Project Site and walls used to screen service and storage areas must be of the same materials, colors, and finishes as adjacent buildings or compatible finishes and colors;
- l. A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A six-foot high chain link fence or other material aesthetically compatible with existing fencing or walls in the Project Area must be constructed along the northern property line of Project Site Phase 1B abutting the Burlington Northern Santa Fe Railroad right-of-way to the satisfaction of the P.B.S. Director. Additionally, screening of the right of way with the use of landscaping, including, without limitation, vines, hedges and/or trees is required to the satisfaction of the P.B.S. Director. An eighteen-inch high, three-strand barbed wire fence may be placed upon the top of the chain link fence for the entire length of this fence (approximately 1,690 feet).
- m. Chain-link fences are not permitted, except as described above, and as temporary construction fencing;
- n. Building design will meet the City's standards for the attenuation of interior noise;
- o. All service areas must be located so that service vehicles have clear and convenient access and do not disrupt vehicular and pedestrian circulation;
- p. No loading will be permitted directly from public streets, except in designated areas as approved by City P.B.S. Director;
- q. All on-site utility systems including without limitation, water, electricity, gas, sewer and storm drains, must be installed underground;
- r. No Certificate of Occupancy may be issued unless there is substantial compliance with the aforementioned development standards and,

- s. The Project Area site plan must be revised to provide sidewalks or other designated pathways following direct and safe routes from the Park Place right-of-way to buildings H through A-7, from the Park Place right-of-way to Pad D, and from the Sepulveda Boulevard right-of-way to Building No. 2, and any other building that may developed that is set back more than 200 feet from a public right-of-way, subject to the review and approval of the P.B. S. Director. The Project Area site plan must provide sidewalks or other designated pathways following direct and safe routes from the Sepulveda Boulevard public right-of-way and the Rosecrans Avenue public right-of-way to the entrances of the buildings and the plaza in front of the buildings, subject to the review and approval of the P.B.S. Director.

### **Landscaping and Irrigation**

7. Before the issuance of the first Building Permit in the Project Area, the applicant must submit a Master Landscape and Irrigation Plan for the Project Area. The Master Landscape and Irrigation Plan must be reviewed and approved by the City P.B.S. Director, the Director of Recreation and Parks, and the Police Chief. Landscaping for each building in the Project Area must be installed in accordance with the approved Master Landscape and Irrigation Plan before the issuance of each Certificate of Occupancy. The Master Landscape and Irrigation Plan must include, without limitation, the following:
  - a. All landscaped areas must be provided with a permanent automatic watering or irrigation system;
  - b. All on-site landscaped areas must be maintained by the owner in a neat and clean manner at all times;
  - c. All landscaped areas must be designed to ensure efficient access to fire hydrants;
  - d. Dual plumbing must be installed for reclaimed water irrigation;
  - e. All landscaped areas must be irrigated with reclaimed water to the extent reclaimed water is available for use in the Project Area. Until such time as reclaimed water is made available, potable water may be utilized for irrigation;
  - f. All landscaping and irrigation must comply with the City's Water Conservation regulations and Zoning Code requirements;
  - g. All landscaping must be designed to enhance site security in accordance with Police Department policies;
  - h. All public rights-of-way abutting the site must be landscaped;
  - i. Landscaping that includes trees, vines, and or hedges must be incorporated along property line walls and fences for screening purposes.

- j. All landscaped areas must include a majority of mature landscaping, including trees that are a minimum 24-inch box size; and,
  - k. Landscaping must be installed along property perimeters and evenly distributed throughout the employee/customer parking areas.
8. Before the issuance of the first Building Permit in the Project Area, the applicant must provide a Landscape Plan and Architectural Plan (i.e. construction drawings), consistent with the Master Landscaping Plan, to the P.B.S. Director, Director of Recreation and Parks, and the Police Chief for review and approval. The Landscape Plan and Architectural Plan must demonstrate that errant nighttime illumination is generally screened from other potentially sensitive uses, through building design and landscape treatments. Before the issuance of the first Building Permit in the Project Site Phase 1B, the applicant must provide a Landscape and Irrigation Plan and an Architectural Site Plan (i.e., construction drawings) consistent with the Master Landscaping Plan, to the P.B.S. Director, Director of Recreation and Parks, and the Police Chief for review and approval that includes the use of trees, hedges, and or vines along the eastern boundary from Rosecrans Avenue to the Union Pacific Railroad. The plant material must be placed west and in front of the property line wall or fence. The Landscape Plan must utilize decorative pavement material in the plaza and for the pedestrian entrances to the plaza. The Landscape Plan and Architectural Plan must demonstrate that errant nighttime illumination is generally screened from other potentially sensitive uses, through building design and landscape treatments.
9. Where feasible (as determined by the P.B.S. Director), the applicant must comply with the City's Water Conservation Program as set forth in the ESMC and the City's Guidelines for Water Conservation in Landscaping. Before the issuance of each Building Permit in the Project Area, the applicant's Landscape Plans must be submitted to the P.B.S. Director for review and approval.

### **Signs**

10. Before the issuance of the first Building Permit in the Project Area, the applicant must submit to the P.B.S. Director for review and approval an overall Master Sign Program for the Project Area. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must submit construction sign plans substantially consistent with the approved Master Sign Program for the review and approval of the P.B.S. Director. Before the issuance of a Certificate of Occupancy, signs must be installed in accordance with the approved Master Sign Program. The overall Master Sign Program must include, without limitation:
- a. Compliance with the ESMC;
  - b. Notwithstanding any other provisions in the ESMC, no freestanding or pole signs, except as described in this Condition No. 10 and Condition No. 11 below, are permitted along the Rosecrans Avenue frontage of the Project Area;

- c. All signs must be architecturally compatible with the proposed buildings;
  - d. All signs must be compatible with the aesthetic objectives of the General Plan;
  - e. No sign must impede traffic or pedestrian safety; and
  - f. Height limitation of signs referred to in this Condition No. 10 shall be measured from the average adjacent street elevation.
11. Before the issuance of a Final Certificate of Occupancy for the first building in the Project Area, the applicant must construct and maintain a monument sign at the northeast corner of Sepulveda Boulevard and Rosecrans Avenue announcing the entrance to the City. The sign is subject to review and approval by the City Council. The sign should be compatible with the design of the Master Sign Program for the Plaza El Segundo development project.

### **AIR QUALITY**

12. During grading and construction, dust control measures must be required in accordance with the City's Dust Control Ordinance (Chapter 7-3 of the ESMC). Grading must be discontinued during first-stage smog alerts and suspended when wind velocity exceeds 15 miles per hour. All hauling trucks must have loads covered or wetted and loaded below the sideboards to minimize dust.
13. The South Coast Air Quality Management District (SCAQMD) has promulgated rules and applicable standards including, without limitation, the following: Rule 402 - Nuisances; Rule 403 - Fugitive Dust; and Rule 2202 - On-Road Motor Vehicle Mitigation Options. The applicant must use best management practices in compliance with Rule 402 during the operation of construction equipment. Construction activities must be limited between the hours of 7 A.M. to 6 P.M., Monday through Saturday, unless such hours are extended pursuant to a Noise Permit issued by the P.B.S. Director. During the construction phase, all unpaved construction areas must be wetted at least twice daily during excavation, grading, and construction and temporary covers for stockpiles must be used to reduce dust emissions by as much as 50 percent. The applicant must ensure that all materials transported off-site will be either sufficiently watered or securely covered in compliance with Rule 403. Resultant peak daily exhaust emissions from diesel- and gasoline-powered construction equipment must be monitored to control emission levels that exceed SCAQMD screening thresholds. During construction, trucks and vehicles in loading or unloading queues must keep their engines off, when not in use, to reduce vehicle emissions. Construction activities must be phased and scheduled to avoid emission peaks, and construction must be discontinued during first- and second-stage smog alerts. On-site vehicle speed during construction must be limited to 15 mph. Before issuance of a Grading Permit for each Project Area, the applicant must provide a Construction Management Plan to the P.B.S. Director for review and approval relative to compliance with the appropriate SCAQMD standards during the construction phase. Daily records of construction hours and activities must be maintained by the applicant throughout the construction phase.



## **BUILDING CODES**

14. The applicant must comply with the applicable requirements of the California Building and Fire Codes as adopted by the ESMC that are in effect at the time an application for a building permit is submitted.

## **ENERGY**

15. Before the issuance of a Building Permit in the Project Area, the applicant must provide an Energy Conservation Plan to the P.B.S. Director for review and approval. The Energy Conservation Plan must incorporate energy conservation features in accordance with the requirements of the City and State. Before the issuance of each Certification of Occupancy, the applicant must provide evidence to the P.B.S. Director that the approved energy conservation features have been installed and will be maintained.
16. If a substation will be constructed, the Applicant must develop plans, projected loads, and a master plan for scheduling to the satisfaction of Southern California Edison.

## **FIRE**

17. Before the City issues a building permit, the applicant must provide Fire Life Safety Plans to the P.B.S. Director and the Fire Chief for review and approval, which include, without limitation, the following:
  - a. Fire lanes;
  - b. Fire lane signing;
  - c. Fire lane access easements or other recorded documents to the reasonable satisfaction of the City Attorney;
  - d. Fire lane accessibility;
  - e. Gas detection systems;
  - f. Minimum acceptable flow from any fire hydrant must be 2,500 gallon per minute, calculated at 20 psi;
  - g. Sprinklers within structures;
  - h. Underground looped fire mains, sprinklers, fire pumps, and fire alarms;
  - i. Emergency generators;
  - j. Any above ground or underground storage tanks including elevator sumps and condensation tanks;

- k. Documentation that the on-site fire mains will be maintained;
  - l. Fire safety precautions during demolition and construction;
  - m. Emergency site access during construction;
  - n. Permanent fire department access;
  - o. Fire hydrant locations;
  - p. Any proposed fire sprinkler and fire alarm systems; and
  - q. Before the issuance of each Certificate of Occupancy, the applicant must demonstrate to the Fire Department that the development complies with the Fire Life Safety Plan, and that any required easements were properly dedicated and recorded.
18. Before the issuance of a Building Permit in the Project Area, the applicant must develop and submit an Evacuation Plan and Procedures for review and approval by the Fire Department. Before the issuance of each Certificate of Occupancy, the applicant must provide evidence to the P.B.S. Director, and the Fire Department that the approved Evacuation Plan and procedures were implemented or are operational as appropriate.
  19. The applicant must provide an automatic fire sprinkler system throughout each building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 13.
  20. The applicant must provide an automatic fire alarm system throughout each building, installed in accordance with California Fire Code Chapter 9 and the currently adopted edition of NFPA 72.
  21. The applicant must provide a certification from the underground petroleum pipeline owner/operator that the proposed project will not encroach into any foundations or structures within the pipeline right-of-way without the underground petroleum pipeline owner/operator's approval. The certification must be provided with the initial plan review documents.
  22. There is a railroad right-of-way on the north side of the Phase 1B property. Access doors and ladders with a maximum 300-foot spacing must be provided to provide access to the railroad right of way in case of a train derailment or incident to the satisfaction of the Fire Department. The access doors and ladders must have approved Knox Company Knox Padlocks installed.
  23. If any fire features are proposed for the project, the applicant must provide the following conditions for any fire feature:

- a. A barrier must be provided around the fire feature to prevent accidental access to the fire feature.
  - b. The distance between the fire feature and combustible material and furnishings must meet the fire feature's listing and manufacturer's requirements.
  - c. If the fire feature's protective barrier exceeds ambient temperatures, all exit paths and occupant seating must be a minimum 36 inches from the fire feature.
24. Before the issuance of a Grading or Building Permits in the Project Area, the applicant must provide a Construction Safety Plan to the P.B.S. Director and Fire Department for review and approval. The Construction Safety Plan must document construction and staff training procedures to ensure that best management practices during project grading and construction will be utilized. The Construction Safety Plan must identify an awareness program for the subgrade installation of utilities and the potential for worker exposure to related emissions, especially during excavation. Compliance with this measure must be verified by the P.B.S. Director before permit issuance.
25. Before the issuance of each Building Permit in the Project Area, all hydrants determined necessary by the Fire Department and the P.B.S. Director must be installed in accordance with approved plans and specifications. Fire hydrants must be spaced no greater than 300 feet apart. One private hydrant must be provided for each structure and each structure must be sprinklered in accordance with the California Building Code (CBC) and the National Fire Code (NFC).
26. 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 as provided in City Council Resolution No. 4687.

#### **GEOTECHNICAL (GRADING, TOPOGRAPHY, SOILS AND DRAINAGE)**

27. Before the issuance of a Grading Permit for the Project Area or a portion thereof, the applicant must prepare and submit a Grading Plan for review and approval by the P.B.S. Director and the Director of Public Works. The Grading Plan must include, without limitation:
- a. The Grading Plan must demonstrate compliance with applicable provisions of the ESMC and City policies and requirements;
  - b. The Grading Plan must show cross sections for any grading purpose and the location of and extent of existing and planned sewer easements and facilities;
  - c. Grading depths must not encroach upon or damage the existing sewer lines on the property;
  - d. Haul routes for import/export trucks and other heavy construction related vehicles must be approved by the Director of Public Works;

- e. No haul routes may travel through the City of Manhattan Beach during A.M. or P.M. peak hours;
- f. All grading must be accomplished in accordance with the recommendations of an independent Geotechnical and Geological Report to be submitted by the applicant and reviewed and approved by the City;
- g. The Grading Plan must detail where special restrictions apply due to soil contamination, if applicable;
- h. Additional information, as required through the plan check process, must be included as appropriate;
- i. Final grading activities must be coordinated with the City Engineer at the time the Grading Permit is issued; and,
- j. Compliance with the above measures must be verified by the P.B.S. Director before issuance of each Certificate of Occupancy.

### **HAZARDS**

- 28. Before the issuance of a Grading Permit for the Project Area or a portion thereof, the applicant must submit documentation from the Los Angeles Regional Water Quality Control Board (“LARWQCB”) evidencing approval of completion of the Interim Remediation Measures and approval of the Final Remedial Action Plan for the Project Area for the area covered by the Grading Permit.
- 29. The applicant must comply with any permit requirements imposed by the LARWQCB and/or the Department of Toxic Substances Control (“DTSC”), or any other applicable regulatory agency related to development and/or grading on the site.
- 30. Before the issuance of a Grading Permit, the applicant must provide any appropriate hazardous materials safety training for all City employees needed to implement the project. If required, the training must be related specifically to safety issues that may arise during site grading and construction due to the soil contamination that may exist in the site. All training must be completed to the reasonable satisfaction of the P.B.S. Director, and the Fire Chief.

### **NOISE**

- 31. During the construction phase of the project, activities will be allowed between the hours of 7 A.M. to 6 P.M., Monday through Saturday, and prohibited at any time on Sundays and federal holidays, unless such hours are extended pursuant to a Noise Permit issued by the P.B.S. Director. Compliance for the operations phase will meet with the placement, screening, and maintenance standards for all external mechanical equipment. The proposed project must be designed to ensure that noise generated by the proposed project operations does not exceed the City’s noise standards, as established by the ESMC, for on-site or off-site receptors. A

noise monitor must be designated according to the relevant codes. Before issuance of a Grading Permit for each Project Area, the City must designate a Noise Ordinance Compliance/Verification Monitor. Before the issuance of a Building Permit for each Project Area, the applicant's Final Working Drawings must be submitted to the P.B.S. Director for review and approval relative to compliance with the City's Noise Ordinance.

### **POLICE / SAFETY**

32. Before the issuance of the first Building Permit, the applicant must submit an overall Security and Crime Prevention Plan, to the P.B.S. Director and the Police Department for review and approval, which must address, without limitation, the following:
  - a. Lighting;
  - b. Addressing (minimum height of 4" to 24");
  - c. Trash dumpsters (including space for recyclable materials);
  - d. Indoor and outdoor security cameras installed at strategic locations, including employee and other vehicle parking areas;
  - e. Parking lots and structures;
  - f. Fences, walls;
  - g. Security hardware;
  - h. Office;
  - i. On-site security personnel;
  - j. Locker rooms;
  - k. An Evacuation Plan and Procedures;
  - l. The employment of security personnel who will monitor and patrol the proposed Project Site, including employee and other vehicle parking areas, and coordinate with public safety officials;
  - m. The installation of lighting in entryways, elevators, lobbies, and parking areas designed to eliminate potential areas of concealment;
  - n. A diagram of the proposed project, which will include access routes, and any information that might facilitate emergency response;

- o. Compliance with all applicable items on Police Department checklist memo dated April 12, 2004, attached as Exhibit F-1/C-1, with the exception that parking is permitted on the north side of the Project Area between the main row of buildings and the northern property line; and,
  - p. All Security and Crime Prevention Plan measures must be installed in conformance with the approved plans and must be operational before the issuance of a Certificate of Occupancy.
33. Before issuance of the first building permits, the applicant must submit a photometric light study to the Police Department for review and approval.
34. 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 as provided in City Council Resolution No. 4687.
35. The applicant must provide, at no cost to the City of El Segundo, a minimum of 240 square feet of office space to be used by the El Segundo Police Department as satellite office space to provide Police services on the east side of Sepulveda Boulevard.

## **PROJECT DESCRIPTION**

### **Plans**

36. The City of El Segundo requires development project applicants to prepare and submit Final Working Drawings for review and approval. The applicant must provide Final Working Drawings that comply with Policies and Requirements and these conditions of approval. The Final Working Drawings must indicate proposed uses, building sizes and heights, and the specific location of structures, loading docks, staging areas, parking layout, landscaped areas and recreational amenities. The Final Working Drawings must include vehicular, pedestrian and bicycle access, on- and off-site circulation, and linkage to other key elements in the site vicinity, including the MTA Green Line. The Final Working Drawings must indicate building materials and architectural design elements that will be utilized in the construction of the proposed structures. The Final Working Drawings must include information on security lighting and hardware and other detail required for compliance with the City's security, safety and crime prevention standards. The Final Working Drawings must demonstrate compliance with the California Building Code, California Mechanical Code, California Plumbing Code, California Fire Code, California Sign Code, and California Electrical Code, and approved Fire Life Safety Systems. In addition, the Final Working Drawings must clearly indicate the location of all entrances and exits, including emergency vehicle access. All parcel buildings and structures must be located in proximity to the proposed parcel lines such that they meet all requirements for exterior wall and opening protection. Additional information, as required through the plan check process, must be included as appropriate. Before the issuance of a Building Permit for the Project Area, the applicant must coordinate with all applicable City and applicable County agencies to prepare and submit Final Working Drawings to be approved by the P.B.S. Director, the Department

of Public Works, the Fire Department and the Police Department. Before the issuance of a Certificate of Occupancy for each building, the applicant must provide evidence to the P.B.S. Director, the Department of Public Works, the Police Department, and the Fire Department that Code and policy requirement conditions have been met.

37. The Plaza El Segundo development project is allowed to develop up to a maximum of 517,292 gross square feet, consisting of a combination of uses as permitted by C-4 Zone and limited by the Development Agreement as long as the total AM, PM peak, daily, and Saturday midday peak trip generation established in the EIR for the project as a whole is not exceeded.
38. The maximum project size may be reduced as determined by the vehicle trip generation for each use. The Sepulveda/Rosecrans Site Rezoning and Plaza El Segundo development project permit the following vehicle trips:

<b>MAXIMUM PERMITTED TRIPS</b>	<b>AM</b>	<b>PM</b>	<b>Daily</b>	<b>Saturday Midday</b>
Sepulveda/Rosecrans Site Rezoning	1,033	2,346	25,859	3,379
Plaza El Segundo Development Project	779	1,477	16,645	2,205

For Phase 1A - The trip generation shall be determined using the rate set forth in the current edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual for Land Use Code 820 (shopping center) provided that the following conditions are met as further set forth in the Alternative Trip Generation Methodology prepared by Fehr & Peers dated July 11, 2017:

- The amount of restaurant and entertainment uses does not exceed twenty percent (20%) of the total square footage;
- No individual fitness use exceeds 10,000 square feet. If an individual fitness use exceeds 10,000 square feet, the trip generation for such use must be determined using the rate for that use as set forth in the current edition of the ITE Trip Generation Manual;
- No individual office use exceeds 5,000 square feet. If an individual office use exceeds 5,000 square feet, the trip generation for such use must be determined using the rate for that use as set forth in the current edition of the ITE Trip Generation Manual.

For Phase 1B - The trip generation for each use and building must be determined using the rates as set forth in the current edition of the ITE Trip Generation Manual, as further set forth in the Alternative Trip Generation Methodology prepared by Fehr & Peers dated July 11, 2017.

For both Phase 1A and Phase 1B - Trip adjustments for internal capture and pass-by reductions will be in accordance with the adjustments in the Traffic Impact Study in the FEIR (EA No. 631) approved on March 1, 2005. Trip adjustments for transit reductions will be in



accordance with the adjustments in the Traffic Impact Study in the Addendum to the FEIR (EA No. 768) approved on February 19, 2008.

39. In order to keep track of the vehicle trip generation, the applicant shall submit a trip generation chart based on existing uses. The chart shall be updated and submitted to the City for approval each time a vacancy is filled or a tenant space changes ITE Land Use Codes.
40. Uses on the Property shall be limited to the following percentages of Sales Tax Generating versus Non-Sales Tax Generating Uses in each Phase. For purposes of the calculation, the percentage is based on total gross leasable area.

<b>AREA</b>	<b>Sales Tax Generating Uses</b>	<b>Non-Sales Tax Generating Uses</b>
Phase 1A – Plaza El Segundo	80 % minimum	20% maximum
Phase 1B – The Point	65% minimum	35% maximum

41. In order to keep track of the sales tax versus non sales tax generating uses, the applicant must keep a chart of uses for each of the three areas which must be updated and submitted to the City for approval each time a vacancy is filled or a tenant space changes uses. For purposes of condition 40 and this condition, “Sales Tax Generating Uses” includes retail sales uses (including grocery stores), restaurants and cafes, bars, and micro-breweries. “Non-Sales Tax Generating Uses” includes financial institutions, day spas, fitness centers, farmers’ markets, offices of all types, personal services, recreational facilities, public assembly/assembly halls (including theaters and museums), video arcades, billiard establishments, and veterinary services. The City’s Finance Director, in his/her discretion, will determine whether any use not specifically listed here should be classified as Sales Tax Generating or Non-Sales Tax Generating. The Finance Director’s determination may be appealed to the City Council. Any such appeal must be made in writing and delivered to the City Clerk within ten calendar days of the Director’s decision.
42. The City of El Segundo requires development project applicants to prepare and submit a Construction Management Plan for each Project Area for review and approval by the P.B.S. Director and Director of Public Works. The Construction Management Plan must consider all stages of construction, including grading, dirt hauling, employee travel, materials delivery, etc. The Construction Management Plan is also required for review and approval by the P.B.S. Director and Department of Public Works for the installation of any utilities, including telecommunication utilities, in the public right-of-way. Such a plan must include, without limitation, traffic control measures for any lane closures. The Construction Management Plan must identify the types and approximate number of construction vehicles to be utilized and must provide haul routes, staging area information and needed road or lane closures. The plan must include, but not be limited to construction hours, construction trailer locations, construction and staging areas, construction crew parking, parking/access plan (including truck haul routes), construction methods and schedules. No haul routes are

permitted through the City of Manhattan Beach during A.M. and P.M. peak hours. All staging areas must be on-site. During construction, the areas of construction must be enclosed by a six-foot high chain link fence, except those areas that have additional fencing requirements. Gates of site fencing must be located at driveways and must not open over sidewalk/public right-of-way. During construction, trash must be removed from the Project Site regularly and promptly. At the end of each construction day, all open trenches must be completely closed or covered, or secured in accordance with Cal OSHA standards. All gates and access points to the construction area must be locked and/or fully secured at the end of construction each day. The applicant must provide a twenty-four hour, every day contact person/liaison to receive and respond to complaints during construction.

43. Before the issuance of a Grading or Building Permit for the Project Area, the applicant must provide evidence to the P.B.S. Director that grading or any construction on property or within easements not owned or controlled by the applicant has been approved by the property owner or easement holder. Separate Grading and/or Building Permit(s) must be obtained by the applicant with the easement holder as co-applicant, if needed.
44. Before the issuance of a Building Permit for the Project Area, the applicant must submit plans and specifications for any new curbs, sidewalks, driveway approaches, wheelchair ramps, and asphalt concrete (A.C.) pavement, that must be constructed/reconstructed in the public right-of-way for any missing public segments/areas on the perimeter of the Project Site, as reasonably required by the Director of Public Works. Any existing driveways and other paved areas on the perimeter of the Project Site that will not be incorporated into the development must be removed and replaced with standard curb and sidewalk. Before issuance of a Certificate of Occupancy for the building that is the subject of the Building Permit, the applicant must install the required public improvements per the approved plans to the reasonable satisfaction of the Director of Public Works.
45. The applicant must submit either a Lot Line Adjustment or Lot Merger application after the recording of Final Map 061530, to realign the two parcels south of Union Pacific Railroad to match the proposed locations of the buildings to maintain conformity with the development standards in the ESMC.

#### **DEDICATIONS AND FEES**

46. The applicant must dedicate approximately 3.47-acres of the “Project Site” to the City for the construction of the extensions of Park Place and Allied Way, as required in Development Agreement No. 04-1 and as depicted on Vesting Tentative Map 061630. Such dedication shall occur through and upon recordation of the Final Map.
47. The applicant must dedicate an eight-foot wide easement for use of a bicycle path to be located in the landscaped front setback of the subject property in compliance with the Circulation Element of the General Plan and South Bay Bicycle Plan to the satisfaction of the Public Works Department and the Planning and Building Safety Department. The exact

alignment will be determined by the Public Works Department and the Planning and Building Safety Department. The City acknowledges that this dedication has been made.

48. The applicant must dedicate approximately 0.50-acres of the “Project Area” to the city for roadway widening along the east side of Sepulveda Boulevard, as required in Development Agreement No. 03-1 and as depicted on Vesting Tentative Map 061630. An easement may be provided in lieu of a dedication, only if Caltrans will not accept the dedication and will only accept an easement. A dedication may be provided for the Phase 1A portion of Sepulveda Boulevard and an easement may be provided for the Phase 1B portion of Sepulveda Boulevard or conversely an easement may be provided for the Phase 1A portion of Sepulveda Boulevard and a dedication may be provided for the Phase 1B portion of Sepulveda Boulevard. Such dedication and/or such easement shall occur through and upon recordation of the Final Map.
49. Pursuant to ESMC §§ 15-27A-1 *et seq.*, and before building permits are issued, the applicant must pay a one-time parks facilities mitigation fee as provided in City Council Resolution No. 4687.
50. The applicant may modify the location of the parcel boundaries as approved on Vesting Tentative Tract Map No. 061630, consistent with the development standards in the C-4 Zone to accommodate the size and location of the individual buildings, before recordation of Final Tract Map No. 061630, provided a maximum of 20 parcels are created.
51. Before the recording of the Final Map, the applicant must record a lot tie covenant if any buildings are to be constructed across existing lot lines or if any building location does not meet the development standards of the Commercial Center (C-4) Zone due to the location of the existing lot lines. No Certificates of Occupancy shall be granted for any use or structure until the recording of the Final Map. Accordingly, construction that proceeds before the recording of the Final Map is done at the Developer’s risk that a Certificate of Occupancy will not be issued.
52. After the recording of the Final Map, the applicant must submit a Lot Line Adjustment application, if necessary, to realign any parcels to match the proposed locations of the buildings to maintain conformity with the development standards in the ESMC.
53. The applicant must maintain all existing easements on the site if the easement is still required by its grantee.
54. The applicant must provide reciprocal access agreements, subject to review and approval by the City Attorney, between any parcels that do not have independent direct vehicle access to a public right-of-way. Such agreements must be recorded before issuance of any Certificate of Occupancy for a building on an affected parcel.
55. Before the issuance of a Rough Grading Permit for the Project Area, the applicant must provide funds in trust to the P.B.S. Director to cover the reasonable costs, including City consultants’ and legal costs and fees, of the monitoring of the conditions of approval and

adopted mitigation measures associated with rough grading. Before the issuance of a Final Grading Permit, the applicant must provide funds in trust to the P.B.S. Director to cover the first year costs, including City consultants' and legal costs and fees, of the monitoring of the conditions of approval and adopted mitigation measures, not associated with rough grading. Costs may include, without limitation, costs for traffic reviews, stormwater review, biological resource monitoring, soil remediation review, and review of easements, dedications and other agreements. Costs that would be associated with rough grading do not include costs for traffic reviews and review of easements and dedications. Annually thereafter, the applicant must replenish funds as deemed necessary by the P.B.S. Director to cover the reasonable costs, including City consultants' costs for each year. The P.B.S. Director, at his discretion, may hire a consultant to coordinate and monitor compliance.

56. Before the issuance of a Grading Permit, Building Permit, or Certificate of Occupancy, as the case may be, the applicant must provide evidence to the P.B.S. Director that all adopted mitigation measures have been or will be implemented pursuant to the project's mitigation monitoring plan. Compliance with this measure must be verified by the P.B.S. Director.

### **CONSTRUCTION REQUIREMENTS**

57. All work within the City public right-of-way must be in accordance with the latest edition of the Standards Specifications for Public Works Construction and City of El Segundo Standard Specifications. No work must be performed in the public right-of-way without first obtaining a Public Works Encroachment Permit.
58. Before the issuance of a Grading or Building Permit for the Project Area, the applicant must provide evidence to the reasonable satisfaction of the P.B.S. Director that all applicable permits from other agencies have been obtained including, without limitation, LARWQCB, Caltrans, State Water Quality Control Board's National Pollution Discharge Elimination Systems (N.P.D.E.S) Permit, South Coast Air Quality Management District, and Los Angeles County Department of Public Works.
59. Following the receipt of all requisite permits, the applicant must notify the P.B.S. Director of the date that construction will commence.
60. At such time deemed necessary by the P.B.S. Director, the applicant must provide an on-site inspection office trailer for the use of City inspection personnel.

### **STORMWATER (GROUND HYDROLOGY AND GROUND WATER QUALITY)**

61. The Los Angeles Regional Water Quality Control Board has promulgated rules and standards including, without limitation, obtaining an NPDES Permit and regulations related to underground and above ground storage tanks. The applicant's compliance with LARWQCB will ensure compliance with the applicable sections of the California Water Code (Section 13260), the Clean Water Act, and the Porter-Cologne Water Quality Control Act. The applicant must ensure that any on-site tanks for use in the storage of fuels, wasted oil,

solvents or other chemicals, which are located either above ground or underground, must be placed, constructed and maintained in accordance with the requirements of the LARWQCB.

62. The applicant must adhere to any relevant requirements of the LARWQCB regarding development of the site. The applicant must prepare a Storm Water Pollution Prevention Plan (SWPPP) which will demonstrate best management practices relevant to compliance with LARWQCB requirements and the California General Construction Permit. Before the issuance of a Grading Permit for the proposed project, the applicant must provide a SWPPP to the LARWQCB, the P.B.S. Director and Fire Department for review and approval relative to compliance with the provisions and requirements of the LARWQCB. Before issuance of a Building Permit for each Project Area, the applicant must apply for the appropriate notifications and/or registrations for any on-site storage tanks. The applicant must provide a copy to the City of the Notice of Intent required by the LARWQCB.
63. Before the issuance of a final Grading Permit and/or Building Permit for each building in the Project Area, the applicant must provide a drainage plan for that portion of the Project Area affected that eliminates pollutants to surface runoff as required by NPDES requirements. The drainage plan must be reviewed and approved by the P.B.S. Director and Director of Public Works. Before the issuance of a Certificate of Occupancy for each building, the applicant must demonstrate that the drainage plan has been implemented and is effective to the reasonable satisfaction of the P.B.S. Director and Director of Public Works.
64. Before the issuance of a Building Permit for the Project Area, the applicant must provide evidence to the P.B.S. Director and Director of Public Works that pavement on-site must be adequately applied to prevent soil erosion. Further, paved areas on-site must be regularly maintained (i.e., all cracks repaired and debris removed on a regular basis) to prevent soil erosion. The applicant must install improvements pursuant to the approved plans before final sign-off of the Permit. Before the issuance of a Grading or Building Permit for each building in the Project Area, the applicant must provide evidence to the P.B.S. Director and Director of Public Works that on-site drainage must be directed to existing storm drains. The applicant must install said improvements per the approved plans before final sign-off of the Permit.
65. Before the issuance of any Grading or Building Permit for the Project Area, the applicant must prepare a Standard Urban Stormwater Mitigation Plan (SUSMP) and provide evidence to the P.B.S. Director and Director of Public Works that the project area that is the subject of the Grading or Building Permit complies with City of El Segundo Urban Runoff Pollution Prevention Controls (Title 5 - Health and Sanitation, Chapter 7 - Standards Urban Stormwater Mitigation Plan Implementation of the El Segundo Municipal Code). The applicant must install said improvements per the approved plans before final sign-off of the Permit.
66. Before the issuance of a Grading or Building Permit for each building in the Project Area, the applicant must provide evidence to the P.B.S. Director and Director of Public Works that:

- a. Collection basins to reduce silts in storm water before runoff drainage to the Los Angeles Flood Control System have been adequately incorporated into the project design;
- b. On-site catch basins have been designed and constructed to screen out larger matter to prevent flooding of the project site resulting from debris caught in the drainage canal;
- c. Drainage channels within parking lot and paved areas have been be designed and constructed to direct storm water and/or irrigation run-off to collection basins provided on-site;
- d. On-site drainage and hydrology improvements have been designed in conformance with applicable standards of the City of El Segundo and the Los Angeles County Department of Public Works, including policies in the Public Safety Element of the City's General Plan;
- e. The project is in compliance with applicable permit requirements of the Los Angeles County Department of Public Works or Los Angeles County Flood Control District;
- f. On-site drainage and hydrology improvements have been designed using the necessary hydraulic/hydrology and structural calculations required for permitting by the Los Angeles County of Department of Public Works: and,
- g. All on-site development is consistent with a Hydrology and Drainage Study and the Final Working Drawings, as approved by the City; and,
- h. Before the issuance of any subsequent Permit 'Final Inspection Approval' for the proposed project, the applicant must provide evidence to the P.B.S. Director and Public Works that all the improvements herein have been constructed in compliance with the appropriate regulations and specifications.

#### **TRANSPORTATION/CIRCULATION/PARKING**

67. If the Los Angeles Congestion Management Plan (CMP) requires the City to track the debits/credits associated with development in the City, before the issuance of the first Building Permit for the Project Site, the applicant must provide Los Angeles County Congestion Management Plan (CMP) Debit/Credit Calculations, and a Phasing Plan for CMP related improvements, to the P.B.S. Director and Public Works for review and approval. The calculations must include only programs which meet all the minimum criteria (e.g., density) contained in the CMP. Before the issuance of a Certificate of Occupancy for the building, the applicant must provide evidence to the P.B.S. Director that the proposed project CMP debits/credits related improvements were implemented and balanced on the Project Site in accordance with the approved phasing plan. Compliance with this measure must be verified by the P.B.S. Director before permit issuance. As may be applicable, the



City will give credit for CMP related improvements towards the applicant's traffic mitigation impact fee, as appropriate.

68. Before the issuance of a Building Permit for the Project Area, the applicant must provide a Pedestrian Access/Circulation Plan to the P.B.S. Director, Recreation and Parks Director, and Police Chief for review and approval. The Plan must identify the location of pedestrian, bicycle accesses and indicate linkage to other key elements in the site vicinity, and within the project itself, including parking areas, building entrances, bicycle racks, recreational elements, etc. The Plan must reflect a safe movement pattern, which does not significantly conflict with vehicular movement and parking access areas. Before the issuance of a Certificate of Occupancy for each Project Area, the applicant must provide evidence to the P.B.S. Director, Recreation and Parks Director, and Police Chief that the approved pedestrian and bicycle access features have been installed and will be adequately maintained per the approved plan.
69. Before the issuance of each Building Permit in the Project Area, the applicant must submit a detailed Traffic, Circulation and Parking Plan, prepared by a licensed traffic engineer, for review and approval by the Director of Public Works, the P.B.S. Director, the Police Chief, the Fire Chief, and the City's Traffic Engineer. Alternatively, such a plan may be submitted for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other. The Traffic, Circulation and Parking Plan must include, without limitation, the following:
  - a. An analysis of the estimated traffic generation for the building(s);
  - b. Sight distances for each structure and parking area associated with the building(s);
  - c. An analysis of the traffic volumes at each driveway or intersection associated with the building(s) in order to determine if any offsite improvements are warranted (i.e., deceleration lanes, left-turn pockets, new or modified traffic signals, etc.) that were not analyzed in the EIR due to the approximation of building locations in the EIR;
  - d. Any new traffic signals or modifications to existing traffic signals must be subject to the review and approval of the Los Angeles County Department of Public Works. The applicant must pay the applicable county costs to provide plan check and inspection services;
  - e. The applicant must dedicate any on-site land required to accommodate any required intersection and roadway improvements (e.g., deceleration lanes) and the new Park Place and Allied Way roadway extensions through the recording of the Final Map, which may be after building permit issuance, but must occur before issuance of a Certificate of Occupancy for any building in the Project Area;
  - f. All truck circulation;
  - g. Customer/employee parking;



- h. All access points to the project site, which should be aligned with existing driveways and intersections where possible;
  - i. Off-site circulation improvements;
  - j. All median modifications, if necessary;
  - k. All dead end aisles eliminated to satisfy City Codes;
  - l. All truck turning radii;
  - m. The location of required loading spaces;
  - n. An analysis that shows the location and the timing of construction of the required parking for the building or Project Area;
  - o. Pedestrian crossing areas of the public roadways must be called out on the plans and appropriately designated;
  - p. All parcels and structures must be connected by an accessible route of travel that meets the requirements of Title 24 of the California Building Code and,
  - q. Final site plan approval for each building(s) must be contingent upon fulfillment of the above traffic design review requirements. All Circulation and Parking Plan improvements which require installation must be installed before the issuance of each Certificate of Occupancy for the building(s) which are the subject of the Traffic, Circulation and Parking Plan. Compliance with these requirements must be verified by the Director of Public Works, the P.B.S. Director, the Police Chief, the Fire Chief, and the City's Traffic Engineer before the issuance of a Certificate of Occupancy.
70. The applicant must install "No Parking" and other traffic signs on the Park Place and Allied Way roadway extensions, as required by the Public Works Department. The applicant must install "No Parking" and other traffic signs on Sepulveda Boulevard and Rosecrans Avenue, as required by the Public Works Department.
71. The applicant must provide handicap accessible pedestrian walkways, with a minimum five-foot width. Any roadways dedicated to the City as public roadways may have handicap accessible pedestrian walkways within the public right-of-way instead of locating them on private property.
72. Before the issuance of the first Building Permit for the Project Area, the applicant must submit Final Working Drawings to the P.B.S. Director for review and approval that shows that all handicapped, carpool, vanpool, motorcycle, and bicycle parking and other TDM and TSM physical requirements have been provided as required by the City. All TDM/TSM

physical improvements required by City regulations must be installed before the issuance of each Certificate of Occupancy.

73. Before the construction of the portion of the Park Place roadway for the proposed project that would intersect Sepulveda Boulevard and any other improvements on Sepulveda Boulevard, the applicant must secure a Caltrans Encroachment Permit to alter Sepulveda Boulevard as set forth in the EIR. The alterations to Sepulveda Boulevard must be in accordance with relevant Caltrans Encroachment Permit requirements and conditions and must be shown on the Final Working Drawings. The applicant is responsible for the costs of modifications and construction of all the roadway extensions and widenings that will be dedicated to the City. Before the issuance of a “Final Inspection Approval” of the roadway improvements, the applicant must install the intersection improvements. The improvements must be reviewed and approved by the City Traffic Engineer, and P.B.S. Director.
74. Prior to the issuance of a Certificate of Occupancy for any building in the Project Area, the new roadways, including any medians, sidewalks, curbs, and gutters must be constructed in accordance with applicable Department of Public Works construction standards for a public roadway with the minimum dimensions required by the Circulation Element of the El Segundo General Plan, and must comply with applicable requirements of the Americans with Disabilities Act (ADA), as well as City requirements for traffic signage, street lighting, drainage plans, and underground utility service, subject to the review and approval of the Director of Public Works. The applicant must be responsible for the design and construction of the new roadways.
75. Before the City issues a certificate of occupancy for any buildings constructed south of the Union Pacific/Burlington Northern Santa Fe Railroads, the new on-site and off-site roadway improvements, including any medians, sidewalks, curbs, and gutters must be constructed in accordance with applicable Department of Public Works construction standards for a public roadway with the minimum dimensions required by the Circulation Element of the El Segundo General Plan to the satisfaction of the Director of Public Works and the Director of Planning and Building Safety, and must comply with applicable requirements of the Americans with Disabilities Act (ADA), as well as City requirements for traffic signage, street, lighting, drainage plans, and underground utility service, subject to the review and approval of the Director of Public Works. Additionally, the roadway improvements along Rosecrans Avenue must be consistent with the design analyzed in the Addendum to the FEIR, including, but not limited to the lane configurations, deceleration lane design at Village Drive, and lengths of left turn pockets at Rosecrans Avenue and Sepulveda Boulevard and at Rosecrans Avenue and Village Drive. The applicant must be responsible for the design and construction of the new roadways.
76. The applicant must install off-site traffic related mitigation measures as set forth in the EIR and MMRP at the time when amount of building (floor area or vehicle trips) triggers the impact for which the mitigation measure is based, as documented in the required Traffic, Circulation, and Parking Plan.

77. Before the issuance of each Building Permit for the Project Area, the applicant must submit a temporary lane closure plan for review and approval by the Director of Public Work, Fire Chief and Police Chief if lane closures will be required during construction for a particular building to insure construction vehicles, equipment and supplies do not interfere with local emergency response routes and incidences.
78. Driveway entrances must be clearly marked, as well as different areas of the parking lot, to ensure visiting vehicles do not accidentally enter the truck staging area.
79. The applicant must coordinate construction lane closures with the Director of Public Works, Police Chief and Fire Chief.
80. Before the issuance of each Certificate of Occupancy for a building in the Project Area, the applicant must pay a Traffic Impact Mitigation Fee. The amount will be based upon the adopted Traffic Impact Mitigation Fee in effect at the time of issuance of a Certificate of Occupancy.
81. Shower and lockers for employees must be provided in sufficient number, as determined by the P.B.S. Director for each tenant in the Project Area exceeding 50,000 square feet.
82. The applicant must submit a Transportation System Management (TSM) Plan, pursuant to the requirements of Chapter 15-17 of the ESMC within 90 days of issuance of the first Certificate of Occupancy in the Project Area.

## **UTILITIES**

83. Before the issuance of the first Building Permit for the Project Area, the applicant must provide a Utility Plan to the P.B.S. Director and Public Works for review and approval. The Utility Plan must demonstrate that all on-site utilities, including fiber optic utility lines from each building to the public right-of-way, are placed underground. The applicant must assume the costs for the relocation of all utilities, without limitation, light poles, electrical vaults, and fire hydrants within the Project Area or Project Site. Before the issuance of a Certificate of Occupancy for each building that is the subject of the Building Permit, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that the approved Utility Plan improvements has been installed and appropriate access provided per the approved plan.
84. Before the issuance of the first Building Permit for the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that proposed utility service improvements will be of a quality reasonably acceptable to the P.B.S. Director. The developer must encourage and promote a high quality, efficient, and sustainable development through the incorporation and utilization of the best and most cost-effective electrical, natural gas, communications, sewage handling, water conservation, and solid waste disposal equipment and systems. Compliance with this measure must be verified by the P.B.S. Director before Building Permit issuance.

85. On-site utilities on private property within the project site, including without limitation, storm drains, stormwater detention basins, water and sewer mains, must be owned and maintained by the developer and a connection point to a public main established.
86. Before the issuance of a building permit, the applicant must obtain utility easements for the utilities located on private property within the Project Area that cross through adjacent private property and/or utilities that are used or shared by two or more parcels.
87. Encroachment Permits for work in the public right-of-way must be obtained from the Engineering Division of the Public Works Department. A Grading Permit is also required when import or export of dirt exceeds fifty cubic yards.
88. Overload permits are required for dirt and material hauling on City streets.
89. No material storage is allowed in the public right-of-way except by Encroachment Permit issued by the Engineering Division of the Public Works Department. If material storage is allowed in the public right-of-way, it must be confined to parkway areas and street parking areas, as long as safe and adequate pedestrian and vehicular passage is maintained at all times as determined by the Engineering Division. Storage beyond these areas in the public right-of-way requires prior approval of the Public Works Director and must be limited to a maximum period of 24 hours.
90. Before the issuance of the first Building Permit for the Project Area, the applicant must submit Street and Public Right-of-Way Improvement Plans for review and approval to the Director of Public Works and P.B.S. Director. Said plans must include any required dedications and sidewalks in accordance with City standards necessary for the building that is the subject of the Permit. Sidewalks are required on both sides of all public streets within the Project Area. Before the issuance of a Certificate of Occupancy for each building that is the subject of the Permit, the applicant must dedicate any required right-of-way and install all sidewalks in accordance with plans and specifications approved by the City. Alternatively, the applicant may submit Street and Public Right-of-Way Improvement Plans, if required, for a Project Area or a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
91. The Los Angeles County Sanitation District requires a Buildover Permit for construction over its sewer easements. The applicant must demonstrate through its Grading Plans in the Project Area that all alterations to final sewer easements, relocation of sewer manholes, and rights of way must be in accordance with relevant Buildover Permit(s) to allow the construction of the proposed project and other project components over any sewer easements. Before the issuance of the affected Grading Permits for the proposed project, the applicant must provide evidence to the P.B.S. Director that any necessary Buildover Permit(s) has been obtained or the easement(s) has been relocated.
92. Before issuance of the first building permit in the Project Area, the applicant must inspect the existing sewer laterals that connect to the City sewer mains in the area with closed circuit television (CCTV) to determine the condition of the existing infrastructure that will serve the

project. All reports and copies of CCTV videos must be submitted to the Department of Public Works.

93. If new sewer laterals are required and constructed in the public right-of-way, they must be a minimum of six inches inside diameter. Material must be “vitreous clay pipe.” Each lateral must have a six-inch clean-out brought to grade at the property line and securely capped. A B9 size box must be placed around the clean-out for protection. The box must have a cover properly marked with the word “sewer.” If in a traffic area, the cover must be traffic approved. All elevations of planned sewer connections must be reviewed and approved by the Director of Public Works before starting construction. Existing sewer laterals must be plugged at the sewer mainline and capped at the property line. Existing six-inch wyes may be reused if approved by the Director of Public Works. Any required sewer laterals must be installed before the issuance of a Certificate of Occupancy for the building to be served.
94. If any off-site upgrades are required due to changes in the proposed peak demands in sewer services, a program for the implementation of the upgrades must be provided to demonstrate capacity availability before occupancy. Before the issuance of a Certificate of Occupancy for each building within a Project Area, the applicant must provide evidence to the P.B.S. Director that adequate sewer capacity is available to accommodate the building that is the subject of such Certificate of Occupancy. Alternatively, the applicant may submit any sewer upgrade plans, if required, for a Project Area or a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
95. If any off-site upgrades are required due to changes in the proposed peak demands in water and wastewater service, a program for the implementation of the upgrades must be provided to demonstrate capacity availability before occupancy. Before the issuance of a Certificate of Occupancy for each building within a Project Area, the applicant must provide evidence to the P.B.S. Director that adequate water and wastewater capacity is available to accommodate the building that is the subject of such Certificate of Occupancy. Alternatively, the applicant may submit any water and wastewater upgrade plans, if required, for a Project Area or a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
96. Before issuance of a first Certificate of Occupancy for any building in the Project Area north of the Union Pacific Railroad right-of-way, the applicant must replace the 15-inch sewer line located to the north of the project site with an 18-inch sewer line as depicted on the Phase 1 Utility Layout plan. Before issuance of a first Certificate of Occupancy for any building in the Project Area south of the Union Pacific Railroad right-of-way, the applicant must prepare an analysis of the existing sanitary system on Rosecrans Avenue and calculate additional flow resulting from the proposed development in to the existing system. If necessary, upgrade the 12” and 15” diameter downstream sanitary sewer pipes on Rosecrans Avenue from point of connection to Aviation Boulevard.
97. Businesses that generate fats, oils, or greases are required to install grease interceptors with a minimum 30-minute retention period on appropriate sewer connections.

98. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that the appropriate additional on-site water and wastewater improvements as identified by the El Segundo Water and Wastewater Division, or an equivalent service provider, have been installed. Such additional measures must include separate services for potable and fire water systems, a separate water meter for each building, and potable system to be a combined irrigation and domestic, or separated into domestic and irrigation meters. Separate fire services with double detector check valves and backflow preventers are required. Upon completion of the site plan, the exact size and number of fire lines will be determined. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
99. If any off-site upgrades are required due to changes in the proposed peak demands for telecommunication services, a program for the implementation of the upgrades must be provided to demonstrate capacity availability before occupancy. Before issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that adequate facilities are available to accommodate the building that is the subject of such Certificate of Occupancy. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
100. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that any appropriate additional improvements for on-site telecommunication services as identified by Pacific Bell, or an equivalent service provider, have been installed to accommodate the building that is the subject of such Certificate of Occupancy. If the existing facilities serve adjacent properties, the services may require relocation. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
101. If any off-site upgrades are required due to changes in the proposed peak demands in natural gas service, a program for the implementation of the upgrades must be provided to demonstrate capacity availability before occupancy. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that adequate facilities are available to accommodate the building that is the subject of such Certificate of Occupancy. Compliance with this measure must be verified by the P.B.S. Director before permit issuance. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
102. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works



that any appropriate additional on-site natural gas service improvements as identified by The Gas Company, or an equivalent service provider, have been installed to accommodate the building that is the subject of such Certificate of Occupancy. Compliance with this measure must be verified by the P.B.S. Director and before the issuance of the Certificate of Occupancy. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.

103. If any off-site upgrades are required due to changes in the proposed peak demands for electrical service, a program for the implementation of the upgrades must be provided to demonstrate capacity availability before occupancy. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that adequate facilities are available to accommodate the building that is the subject of such Certificate of Occupancy. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.
104. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that any appropriate additional on-site electrical service improvements as identified by The Edison Company, or an equivalent service provider, have been installed to accommodate the building that is the subject of such Certificate of Occupancy. Alternatively, the applicant may submit any improvement plans, if required, for a number of buildings at one time if that group of buildings will be completed within a reasonable time period of each other.

## **WATER**

105. Before the issuance of the first Building Permit for each building within the Project Area, the applicant must submit Off-site Reclaimed Water Facility Plans to the P.B.S. Director and the Director of Public Works for review and approval. Said plans for the off-site improvements must include an approval from West Basin Municipal Water District, the supplier of reclaimed water.
106. Before the issuance of a Building Permit for each building within the Project Area, the applicant must submit Final Working Drawings that incorporate On-site Irrigation Plans to the P.B.S. Director and the Director of Public Works for review and approval. Such plans must indicate that reclaimed water must be utilized in the irrigation systems for all landscape areas and other uses, as approved by the Department of Public Works, when available from the West Basin Municipal Water District or other supplier of reclaimed water. Such plans must include the installation of a dual water line system on-site to accommodate distribution of potable water for landscaping until reclaimed water for landscaping becomes available for the Project Area. In addition to the utilization of reclaimed water for irrigation, other water conservation features such as low-flow devices and automated shut-offs must be included throughout the Project Site. Water management systems must include both water conservation and wastewater reduction features.



107. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must provide evidence to the P.B.S. Director and the Director of Public Works that the connection with the City's reclaimed water system has been provided, the approved water management systems and water-saving devices have been incorporated into project development, and that the water facilities have been installed per the approved plans. If the water provider is unable to make reclaimed water available before the issuance of the Certificate of Occupancy, then potable water may be utilized and the Certificate of Occupancy must be issued.
108. The applicant must install a loop water distribution system for the Project Site with service connections to each of the water mains in the streets surrounding the project, subject to the review and approval of the Director of Public Works. Before the issuance of each Building Permit in the Project Area, the applicant must submit a construction phasing plan for the water service, which must include, without limitation, how the building which is the subject of the permit will be connected to the looped water distribution system. The looped water system must provide water mains connection to Rosecrans Avenue on the south and Sepulveda Boulevard to the west.
109. Before the issuance of a Certificate of Occupancy for each building within the Project Area, the applicant must pay the applicable water meter installation fees. Compliance with this measure must be verified by the P.B.S. Director before issuance of the Certificate of Occupancy.
110. Before the issuance of a Building Permit for each building within the Project Area, the applicant must pay the applicable sewer connection fees and charges. Compliance with this measure must be verified by the P.B.S. Director before Permit issuance.
111. Before the issuance of the first Certificate of Occupancy for a building in the Project Area, those areas not already part of County Sanitation District must be annexed to County Sanitation District No. 5.
112. Water meters must be provided for each lot by the applicant in accordance with City policies and approved by the Water Division before installation. This condition does not prohibit the use of private water meters for individual buildings or individual tenancies.

**PROJECT CONDITIONS THAT APPLY TO PHASE 1B ONLY**

113. Up to a maximum of 12,000 gross square feet of restaurant space may open as early as 6:00 a.m. daily for breakfast service.

**ADMINISTRATIVE USE PERMIT/ALCOHOL SERVICE (FOR PHASE 1B)**

114. The proposed hours of operation and hours of alcohol service for the restaurants and kiosks, including the outdoor dining patios, are limited to: Sunday through Thursday from 10:00 a.m. to 12:00 a.m. and Friday through Saturday from 10:00 a.m. to 2:00 a.m. Food service must be available in the indoor dining areas and the outdoor patios during the hours of operation and alcohol service. Any change to the hours of operation or the hours that alcohol

may be served is subject to review and approval by the Director of Planning and Building Safety.

115. Any subsequent modification to the project as approved in the Administrative Use Permit, including the floor plan and areas where alcohol will be served, and/or the conditions of approval, must be referred to the Director of Planning and Building Safety for approval and a determination regarding the need for Planning Commission review of the proposed modification.
116. The applicant for the Alcohol Beverage Control License must obtain and maintain all licenses required by the Alcoholic Beverage Control Act (Business & Professions Code §§ 23300 *et seq.*). The applicant must obtain and maintain a Type 41 license or a Type 47 license, whichever is applicable.
117. The restaurant operations must comply with ESMC §§ 7-2-1, *et seq.* regulating noise and vibration.
118. The Planning and Building Safety Department and the Police Department must be notified of any change of ownership of the approved use in writing within 10 days of the completion of the change of ownership. A change in project ownership may be cause to schedule a hearing before the Planning Commission regarding the status of the administrative use permit.
119. The applicant for the Alcohol Beverage Control License must comply with all regulations of the Alcoholic Beverage Control Act and the regulations promulgated by the Alcoholic Beverage Control Board including, without limitation, the regulations set forth in 4 Cal. Code of Regs. §§ 55, *et seq.*
120. The applicant for the Alcohol Beverage Control License must post a sign in a clear and conspicuous location listing a phone number at which a responsible party may be contacted during all open hours of the establishment to address any concerns of the community regarding noise in the restaurant, patio and parking lot. Said contact's name and phone number must also be available through the restaurant staff at all times.
121. The applicant for the Alcohol Beverage Control License must, at all times, display a *Designated Driver* sign of at least ten inches by ten inches (10" X 10") in the bar and restaurant dining areas at eye level. The sign must be worded in a way that reminds patrons who are consuming alcohol to designate a *non*-drinking driver.
122. There cannot be exterior advertising of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages which are clearly visible to the exterior constitute a violation of this condition.
123. All employees serving alcoholic beverages to patrons must enroll in and complete a certified training program approved by the State Department of Alcoholic Beverages Control

(ABC) for the responsible sales of alcohol. The training must be offered to new employees on not less than a quarterly basis.

124. Any and all employees hired to sell alcoholic beverages must provide evidence that they have either:
  - a. Completed training from the State of California Department of Alcoholic Beverage Control (ABC), Long Beach/Lakewood District Office administered *Licensee Education on Alcohol and Drugs (LEAD)* Program; or,
  - b. Completed an approved equivalent (LEAD) training program administered by the ABC, Long Beach/Lakewood District Office to ensure proper distribution of alcoholic beverages safely, responsibly and to adults of legal age. Any future employee designated to sell alcoholic beverages on behalf of the licensee or applicant must obtain a certificate proving completion of the (LEAD) training; and
  - c. The licensee or applicant must confirm with the Planning and Building Safety Director, or designee, within fifteen (15) days of the Director's decision as to the approval of the application, or by final project approval, that a date certain has been scheduled with the local ABC Office to complete the LEAD training program.
  - d. Within thirty (30) days of taking said course, the employees, or responsible employer must deliver each required certificate showing completion to the Police Department.
125. The applicant for the Alcohol Beverage Control License must have readily identifiable personnel to monitor and control the behavior of customers inside the building premises. Staff must monitor activity outside in the parking lot and any adjacent property under the establishment's control to ensure the areas are generally free of people and are cleared of patrons and their vehicles one-half hour after closing.
126. If complaints are received regarding excessive noise, parking availability, lighting, building access, and the like associated with the restaurants and the outdoor patio areas, the City may, in its discretion, take action to review the Administrative Use Permit, including without limitation, adding conditions or revoking the permit.
127. The outdoor dining/seating areas must comply with ESMC § 15-2-16.
128. The applicant for the Alcohol Beverage Control License must install security cameras for monitoring and recording activity, which include, without limitation: cash handling/counting areas, the manager's office, the safe, all access doors, and any other areas deemed necessary by the Police Department. Monitoring and recording equipment must be stored in a secure area (e.g., manager's office).

129. Before a building permit is issued, a schematic plan of the camera system must be submitted and approved by the Police Chief, or designee. The camera specification notes must be included on the schematic plan.
130. Before a building permit is issued, the minimum camera requirements must be listed on the building plans with the camera specifications and include the following:
- a. All security surveillance cameras must be installed to record video in color.
  - b. Security cameras, especially those viewing customers as they enter the business or stand at cash registers, must capture the individual from the waist to the top of the head, straight on.
  - c. Security surveillance cameras must be positioned low enough so that caps/hats or other disguises (typically used when committing a crime) will not obstruct the view of the individual's face. This will provide the best possible picture for the identification of the individual during the investigation process.
  - d. The maximum mounting height is 8 feet.
  - e. The recording equipment must capture video digitally and must record a minimum of (21) days for each security surveillance camera. Security surveillance camera recordings must be made available to law enforcement agencies for investigation purposes upon request.
  - f. A schematic plan of the proposed camera locations must be submitted and approved by the Police Chief, or designee.
  - g. The “Camera Specification Notes” must be included on the schematic plan page.
  - h. A security surveillance camera plan must provide the following minimum items: (1) One camera facing each point of sale station (2); one camera facing the safe (it may be possible to cover the safe and the point of sale station closest to it); and (3) one camera at the main entry door capturing customers as they exit.
131. The buildings cannot be occupied by more persons than allowed by the California Building Code, as adopted by the ESMC.
132. The buildings and any outdoor seating must comply with California Building and Fire Code requirements, as adopted by the ESMC

#### **ADJUSTMENT (FOR PHASE 1B)**

133. The applicant must post clear signs at each of the required loading spaces designating them as loading spaces during the hours of 6:00 a.m. to 10:00 a.m. The signs must clearly prohibit

employee and/or customer parking during those hours. The applicant may extend the loading hours beyond 10:00 a.m. at his discretion. The parking spaces must be marked clearly to delineate the parking and loading spaces to the satisfaction of the Director of Planning and Building Safety.

134. Any subsequent modification to the project as approved in this Adjustment, including the plans and/or the conditions of approval, must be referred to the Director of Planning and Building Safety for approval and a determination regarding the need for Planning Commission review of the proposed modification.

#### **VARIANCE (FOR PHASE 1B)**

135. Before the City issues building permits, the applicant must submit detailed plans of the two retaining walls along the north property line adjacent to the UPRR right-of-way. The retaining walls and their non-retaining portions cannot exceed 12 feet in height, with the exception that a metal open work fence up to a maximum of 42 inches in height may be installed on top of the walls

136. Any subsequent modification to the project as approved in this Variance, including the plans and/or the conditions of approval, must be referred to the Director of Planning and Building Safety for approval and a determination regarding the need for Planning Commission review of the proposed modification.”

#### **INDEMNIFICATION**

137. The Developer must defend, indemnify and hold the City and its elected and appointed officials, officers, employees and agents harmless from and against any claims, legal or equitable actions, damages, costs (including, without limitation, attorney’s fees), injuries, or liability of whatsoever kind or nature, arising from the City’s approval of the project, including but not limited to the CEQA determination and/or the Development Agreement approval and all approvals from the time of the approval of the Original Development Agreement through and including the Revised and Restated Development Agreement. 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 any City approval relating to the Revised and Restated Development Agreement or any approvals issued in conjunction therewith, the applicant 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.
138. PES Partners, LLC and Street Retail, Inc. must acknowledge receipt and acceptance of the Project Conditions by executing the acknowledgement below.

By signing this document, PES Partners, LLC and Street Retail, Inc. certify that they have

read, understood, and agree to the Project Conditions listed in this document and represents and warrants that it has the authority to execute this document on behalf of the property owner and acknowledges that the conditions set forth above shall run with the land and be binding upon all owners and occupants of the land.

PESP

PES PARTNERS, LLC, a Delaware limited liability company

By: Street Retail, Inc., a Maryland corporation

Its: Manager

By: \_\_\_\_\_

Jeffrey S. Berkes, Vice-President

Western Region

STREET

STREET RETAIL, INC., a Maryland corporation

By: \_\_\_\_\_

Jeffrey S. Berkes, Vice-President

Western Region

{If Corporation or similar entity, needs two officer signatures or evidence that one signature binds the company }





**TITLE:**

Zone Text Amendment to amend Chapters 15-1 (Title; Interpretations; Definitions); 15-4 (Single Family Residential (R-1) Zone) of Title 15 of the El Segundo Municipal Code regarding definitions and site development standards in such zone.

Case number(s): Environmental Assessment No. EA 1262

Applicant: Sharyn Fisk.

**DISCUSSION AND RECOMMENDATION:**

Staff is in discussions with the applicant regarding language for the amendment and assessing how it may impact properties citywide. As such, Staff recommends continuing this item to a future date. When an appropriate date has been scheduled, Staff will re-notice this item.

**PREPARED BY:** Eduardo Schonborn, Principal Planner 

**REVIEWED BY:** Eduardo Schonborn, Principal Planner 

**APPROVED BY:** Sam Lee, Director of Planning and Building Safety 

**ATTACHED SUPPORTING DOCUMENTS:**

None.

**TITLE:**


A Variance to reduce the setbacks to accommodate the construction of a new Accessory Dwelling Unit (ADU) above a new two-car garage at 404 East Maple Avenue in the Single-Family Residential (R-1) zone.


Case number(s): Environmental Assessment No. EA 1270

Applicant: Michael Varela, representing Susan B. Weidig.

**DISCUSSION AND RECOMMENDATION:**

Staff is in discussions with the applicant regarding the current design of the project. As such, Staff recommends continuing this item to the November 12, 2020, Planning Commission meeting.

**PREPARED BY:** Maria Baldenegro, Assistant Planner 

**REVIEWED BY:** Eduardo Schonborn, AICP, Principal Planner 

**APPROVED BY:** Sam Lee, Director of Planning and Building Safety 

**ATTACHED SUPPORTING DOCUMENTS:**

None.

**TITLE:**

Amendment to terminate Precise Plan No. PP 87-01 for properties located at 2361-2381 East Rosecrans Avenue (The Terrace at Continental Park) to allow the current underlying Urban Mixed-Use South (MUS) zone development standards and uses to apply.


Case number(s): Environmental Assessment No. EA 1280

Applicant: Toni Reina, representing Continental Development Corporation.

**DISCUSSION AND RECOMMENDATION:**

The applicant is currently discussing this matter internally on how to proceed with the application, and has requested continuing this item. Thus, Staff recommends continuing the item to the November 12, 2020, Planning Commission meeting.

**PREPARED BY:** Maria Baldenegro, Assistant Planner 

**REVIEWED BY:** Eduardo Schonborn, AICP, Principal Planner 

**APPROVED BY:** Sam Lee, Director of Planning and Building Safety 

**ATTACHED SUPPORTING DOCUMENTS:**

None.