

AGENDA
REDONDO BEACH HARBOR COMMISSION
Monday, August 12, 2013, 6:30pm
REDONDO BEACH CITY COUNCIL CHAMBERS
415 DIAMOND STREET

I. OPENING SESSION

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**
- 3. SALUTE TO THE FLAG**

II. APPROVAL OF ORDER OF AGENDA

III. RED FOLDER ITEMS

Red folder items require immediate action, and came to the attention of the City subsequent to the 72-hour noticing requirement. These items require a 2/3 vote of the Commission (or if less than 2/3 are present, a unanimous vote) to add to the Agenda.

IV. BLUE FOLDER ITEMS

Blue folder items are additional backup material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

V. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Commission Members may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion following Oral Communications.

- 5. APPROVAL OF AFFIDAVIT OF POSTING FOR THE HARBOR COMMISSION MEETING OF AUGUST 12, 2013**
- 6. APPROVAL OF THE FOLLOWING MINUTES: JULY 8, 2013**
- 7. CITY COUNCIL RECEIVED AND FILED THE JULY 16, 2013 MONTHLY UPDATES TO THE STRATEGIC PLAN; VITALIZE THE WATERFRONT AND ARTESIA CORRIDOR**
Staff recommendation: Receive and file
- 8. MONTHLY STATISTICS FROM HARBOR PATROL**
Staff recommendation: Receive and file
- 9. DISCUSSION AND POSSIBLE ACTION ON WATERFRONT REVITALIZATION PROJECT WITH CENTERCAL PROPERTIES**
Staff recommendation: Receive and file

VI. ORAL COMMUNICATIONS

Anyone wishing to address the Harbor Commission on any Consent Calendar item on the agenda, which has not been pulled by Harbor Commission may do so at this time. Each speaker will be permitted to speak only once and comments will be limited to a total of three minutes.

VII. EXCLUDED CONSENT CALENDAR ITEMS

VIII. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Commission. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

IX. EX PARTE COMMUNICATIONS

X. PUBLIC HEARINGS

XI. ITEMS FOR DISCUSSION PRIOR TO ACTION

10. COMMISSION DISCUSSION ON INPUT TO CITY COUNCIL FOR SEMI-ANNUAL STRATEGIC PLAN MEETING

Staff recommendation: Receive and file

11. DIRECTOR'S REPORT

Staff recommendation: Receive and file

XII. ITEMS CONTINUED FROM PREVIOUS AGENDAS

XIII. MEMBERS ITEMS AND REFERRALS TO STAFF

XIV. ADJOURNMENT

The next meeting of the Harbor Commission of the City of Redondo Beach will be a Regular Meeting of the Harbor Commission to be held on Monday, September 9, 2013 in the Redondo Beach Council Chambers, 415 Diamond Street, Redondo Beach, California.

It is the intention of the City of Redondo Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (310) 318-0656 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

An Agenda Packet is available 24 hours a day at the Redondo Beach Police Department and at www.redondo.org under the City Clerk. Agenda packets are available during Library Hours, at the Reference Desk at both the Redondo Beach Main Library and North Branch Library. During City Hall hours, Agenda Packets are also available for review in the Office of the City Clerk.

Any writings or documents provided to a majority of the Harbor Commission regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall located at 415 Diamond Street, Door C, Redondo Beach, CA during normal business hours.

PROOF OF POSTING

I, Holly Short, hereby declare, under penalty of perjury, that I am over the age of 18 years and am employed by the City of Redondo Beach, Harbor Department, and that the following document was posted by me at the following location(s) on the date the time noted below:

Agenda – Redondo Beach Harbor Commission

Meeting of August 12, 2013

Posted on: August 7, 2013 at 2:00 pm

Posted at: DOOR "A" BULLETIN BOARD

and CITY CLERK'S OFFICE

Holly Short
Signature

8/7/13
Date

**MINUTES OF THE
REDONDO BEACH HARBOR COMMISSION MEETING
JULY 8, 2013**

CALL TO ORDER

A regular meeting of the Harbor Commission was called to order at 6:35 p.m. in the City Council Chambers, 415 Diamond Street, by Commissioner Shaer.

ROLL CALL

Commissioners Present: Cignarale, D. Jackson, Keidser, Shaer
Commissioners Absent: Dalton, M. Jackson
Officials Present: Pete Carmichael, Waterfront and Economic
Development Director
John Picken, Harbor Patrol Sergeant
Margareet Wood, Recording Secretary

SALUTE TO THE FLAG

Commissioner Bloss led the members in the salute to the flag.

APPROVAL OF ORDER OF AGENDA

Commissioner D. Jackson requested to hear the Quarterly Update from Harbor Patrol prior to the Consent Calendar.

Motion by Commissioner Bloss, seconded by Commissioner Keidser, to reorder the agenda as requested by Commissioner D. Jackson. Motion carried unanimously.

ITEMS FOR DISCUSSION PRIOR TO ACTION

Quarterly Update from Harbor Patrol

Sergeant Picken reported Harbor Patrol calls for service for April, May, and June, 2013 totaling 119, 182, and 310, respectively, for a year-to-date total of 977.

He also reported significant events including: sunken sailboat, pump a head leaks, personal watercraft rescues, and increased boater and marine enforcement due to hot weather/start of summer.

In response to Commissioner Bloss, Sergeant Picken said that stand up paddle boarders without proper equipment are the bulk of marine enforcement calls.

In response to Commissioner D. Jackson, Sergeant Picken said sea life-related calls involve distressed or deceased sea life, the majority of which are due to natural causes; however sometimes the sea lions become strangled with line.

In response to Commissioner Shaer, Sergeant Picken stated the U.S. Coast Guard has designated stand up paddleboards as vessels; therefore vessel size requirements apply.

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to receive and file the Harbor Patrol report. Motion carried unanimously.

CONSENT CALENDAR

5. Approval of Affidavit of Posting for the Harbor Commission Meeting of July 8, 2013
6. Approval of the Following Minutes: June 10, 2013
7. City Council Received and Filed the May 21, 2013 Monthly Updates to the Strategic Plan; Vitalize the Waterfront and Artesia Corridor
8. Discussion and Consideration of Structural Review of the Pier and Plaza Parking Structures

Commissioner Bloss excluded Item 7.

Commissioner Keidser excluded item 8.

Motion by Commissioner D. Jackson, seconded by Commissioner Keidser, to approve Consent items 5 and 6. Motion carried unanimously, with Commissioner Bloss abstaining from item 6

ORAL COMMUNICATIONS

None.

EXCLUDED CONSENT CALENDAR ITEMS

City Council Received and Filed the May 21, 2013 Monthly Updates to the Strategic Plan; Vitalize the Waterfront and Artesia Corridor

In response to Commissioner Bloss regarding the renaming of Torrance Boulevard and next steps, Director Carmichael said the item will be updated at the September 12 strategic plan workshop. He said the strategic plan document is created every 6 months and checked every 90 days.

Commissioner Shaer encouraged the commissioners to come prepared with thoughts for developing a list of recommendations for City Council.

In response to Commissioner Shaer, Director Carmichael stated that the goal to increase organizational efficiency involves doing more with less and changing the process to operate more efficiently.

Commissioner Shaer requested to revisit the Green Task Force goals and he asked for an update.

In response to Commissioner Shaer, Director Carmichael said the status of an action plan to engage with AES is not a topic for this meeting, and he referred the members to a relevant staff report from the latest City Council meeting.

In response to Commissioner Shaer, Director Carmichael said the City Attorney is currently working on draft stand up paddleboard regulations, and will return to City Council shortly. He mentioned development of a framework for the City to allow private businesses to teach classes and operate in the harbor.

In response to Commissioner Shaer, Director Carmichael said the Harbor Business Plan will be fully refreshed and will be submitted to the Harbor Commission late this year or early next year.

Discussion and Consideration of Structural Review of the Pier and Plaza Parking Structures

In response to Commissioner Keidser, Director Carmichael explained the locations of the north and south parking structures above the Fun Factory arcade and at the Torrance Boulevard pier entrance. He said both structures are within the CenterCal project.

In response to Commissioner Shaer, Director Carmichael said the total revenue from both structures totals \$1.5 million annually, and personnel and services rely on that income. He said that ideally repair costs won't be necessary because the structures will be replaced; and if not, several financing options would be considered.

Motion by Commissioner D. Jackson, seconded by Commissioner Keidser, to receive and file Consent items 7 and 8.

Mark Hansen, King Harbor Voters Advisory Panel, recalled that Council and staff did not receive Harbor Commission recommendations prior to the last strategic plan workshop; and he encouraged the members to ensure distribution of the recommendations for the September workshop. He also said there is a lot going on with AES; and he encouraged the members to work with Director Carmichael and to read the reports. He also reported hearing about frustration over stand up paddleboard regulations, and he recommended seeking input from the stand up paddleboarders.

In response to Commissioner D. Jackson, Director Carmichael requested to have the Harbor Commission strategic plan recommendations emailed to Council members and himself as well as hard copies for himself which he planned to deliver to Council.

In response to Commissioner Bloss, Director Carmichael said the strategic plan workshop is a public meeting with participation limited to a designated time at the beginning. He planned to get more information and report back.

In response to Commissioner Keidser, Director Carmichael said the AES issue is being handled by the City Manager's office, and is not within the jurisdiction of the Harbor Commission unless the City Council requests advice.

The motion on the floor carried unanimously.

PUBLIC PARTICIPATION ON NON AGENDA ITEMS

Mr. Hansen submitted information on the upcoming Tom Collier Regatta and invited all to attend.

The information from Mr. Hansen was received and filed.

ITEMS FOR DISCUSSION PRIOR TO ACTION

Update on Mole B Master Plan

Director Carmichael explained that City Council approved the Master Plan in January 2011, including an enhanced park space at Moonstone Park, mast up storage, space for outrigger canoe clubs, and a paddling center. He said a consultant partner was selected in late 2012 for a construction plan with financing to come from Chevron. He said that early this spring King Harbor Marina decided to build their paddling center on Mole A instead; therefore the plan is under evaluation. He said that sailboat storage, park space, and outrigger space will be retained and the presentation of plans and specifications has been postponed until fall or winter.

In response to Commissioner D. Jackson, Director Carmichael said the plan will likely come back to the Harbor Commission - depending on the significance of the changes.

In response to Commissioner Bloss, Director Carmichael said that no further outreach is planned, other than the previously scheduled remaining public meeting.

Commissioner Bloss expressed concern about what happens to the project money from Chevron and how it is managed, to which Director Carmichael responded that the money is in a fund balance specifically earmarked for the project.

Motion by Commissioner D. Jackson, seconded by Commissioner Cignarale, to receive and file the update.

Sean Guthrie, King Harbor Marina, clarified that the sailing center would have taken away dock space, which is a cost consideration. He referred to his letter of May 21, which states that King Harbor Marina still wants to move forward with the other improvements. He said that locating the building at the Yacht Club can reduce costs close to the amount received from Chevron. He hoped that an arrangement will be worked out.

In response to Commissioner Keidser, Mr. Guthrie said the money received by the City is for the park and the parking area; and the money Marina Cove received is for the sailing center. He said the sailing center cost continued to

escalate. He added that the location on Mole B will afford safer conditions for young sailors.

In response to Commissioner Shaer, Mr. Guthrie stated that 1 or 2 large slips could potentially be lost. He said the small slip vacancies continue to increase and the demand will continue for large slips. Regarding increased costs, he cited the additional sea wall and overall construction cost increases. Regarding parking, he said parking may be increased by restriping as well as a better layout.

Mr. Hansen submitted a drawing entitled Mast Up Dry Storage on Mole B and a copy of an email to MaryAnn Guthrie dated June 13 regarding Mast Up Dry Storage Illustration – Overview. He said the King Harbor Voters Advisory Panel has recommended mast up dry storage for many years. He anticipated an increased need for dry storage. He supported a proactive approach of attracting young adult sailors with 16' sailboats who will move up and remain in King Harbor.

Commissioner Shaer suggested including orientations on the drawing.

In response to Commissioner Shaer, Mr. Guthrie stated that the Mole A improvements would require Harbor Commission CUP review and that plans are conceptual pending firm understandings with the Yacht Club and the City.

The motion on the floor carried unanimously.

Director's Report

Director Carmichael reported the following:

CIP Projects

- Vessel Moorings – bottom habitat study scheduled for Coastal Commission in August or September, construction anticipated to begin early next year
- Herondo/Harbor Drive Gateway Project – plans and specifications to City Council this fall, construction to begin early next year
- Shade Hotel – geo piers to be installed within 6 weeks
- RDR Leasehold – Neighborhood Grinds and Bella Gelato open and doing well, Barney's Beanery to open in the fall
- CenterCal – MOU, site plan to City Council on July 30, after which EIR will commence, project will be reviewed by Harbor Commission and City Council in late 2015 or early 2016
- Parking – upgrades to structure recently completed, ambassador present on weekends, structure has been closed and opened during busy periods, new signage installed and employee placards distributed, meters worked well on July 4; however revenue reduced by half from previous years

Events

- July 6 - summer concerts began
- August 7 - Chalk Art Festival and Dolphin Dash
- September 22 – Rods, Rides, and Relics car show
- October 13 – Taste of the Pier

In response to Commissioner Bloss, Director Carmichael stated that more feedback will be gathered from merchants to determine plans for parking on July 4, 2014. He said a long line of cars backed up at the entrance this year.

In response to Commissioner Shaer, Director Carmichael said that overflow parking extends to neighborhood streets. He did not have a percentage calculation of lost customers; however he said it is not common for all lots to sell out.

Commissioner Shaer questioned the feasibility of providing a shuttle service. He also raised the possibility of raising meter rates for the day.

Director Carmichael stated that parking rates are set by resolution. He also said a small rate change for one day would not require Coastal Commission approval.

Motion by Commissioner D. Jackson, seconded by Commissioner Keidser, to receive and file the Director's Report. Motion carried unanimously.

ITEMS CONTINUED FROM PREVIOUS AGENDAS

None.

MEMBERS ITEMS AND REFERRALS TO STAFF

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to agendaize an item for the August meeting to discuss referrals for the September strategic planning session. Motion carried unanimously.

Commissioner Keidser requested staff to provide a copy of the last Harbor Commission strategic plan recommendations as a point of reference.

At 8:00 p.m. Chairperson M. Jackson adjourned the meeting to the next regular meeting on August 12, 2013.

Respectfully submitted,

Peter Carmichael
Waterfront and Economic
Development Director



Administrative Report

Council Action Date: July 16, 2013

To: MAYOR AND CITY COUNCIL

From: WILLIAM P. WORKMAN, CITY MANAGER

Subject: STRATEGIC PLAN UPDATE ON SIX-MONTH OBJECTIVES, WATER QUALITY IMPLEMENTATION MATRIX, SUSTAINABILITY/GREEN TASK FORCE PRIORITY MATRIX, AND MAJOR CITY FACILITIES PRIORITY LIST

RECOMMENDATION

Receive and file the monthly updates to: 1) the six-month strategic objectives established at the Strategic Planning Retreat held on February 21, 2013; 2) the Water Quality Implementation Matrix; 3) the Sustainability/Green Task Force Priority Matrix; and 4) the Major City Facilities Priority List.

EXECUTIVE SUMMARY

On February 21, 2013, the City Council held a Strategic Planning Workshop to establish six-month objectives. Monthly updates are provided to the Mayor and Council to enable them to monitor the City's progress. Updates to the Water Quality Implementation Matrix, the Sustainability/ Green Task Force Priority Matrix and the Major City Facilities Priority List are also provided. This current update is the fourth of the February 21, 2013 Strategic Planning session's six-month objectives. The next Strategic Planning Retreat will be held on September 12, 2013.

BACKGROUND

The City Council's Strategic Plan directs the development of the City budget, program objectives, and performance measures. The goals provide the basis for improving services, and preserving a high quality of life in the City.

The City began strategic planning in 1998 with the creation of the first three-year strategic plan covering the period of 1998-2001. In October 2001, a second three-year plan was developed for 2001-2004. At the February 25, 2003 retreat, these Core Values were added: Openness and Honesty, Integrity and Ethics, Accountability, Outstanding Customer Service, Teamwork, Excellence, Environmental Responsibility, and Fiscal Responsibility. A third three-year plan was developed in March 2004,

covering the period of 2004-2007, and including a vision statement. In September 2007, the fourth three-year plan was developed with new goals and objectives. A fifth three-year plan was developed on March 3, 2010. Finally, the sixth three-year strategic plan was developed on February 21, 2013. The following are the five strategic plan goals for 2013-2015. They are not in priority order:

- Improve financial viability and expand economic opportunities;
- Improve public facilities and the infrastructure;
- Increase organizational effectiveness and efficiency;
- Maintain a high level of public safety; and
- Vitalize the Waterfront and Artesia Corridor.

The City Manager provides monthly updates to the adopted six-month objectives to enable the Mayor and City Council to monitor the City's progress on the Strategic Plan.

Water Quality Implementation Matrix

On July 19, 2005, the City Council adopted a resolution to form a 15-member Water Quality Task Force. During their 12-month assignment, the Task Force developed a Recommendations Report. The Report was presented to a joint meeting of the City Council and Harbor Commission. The City Council directed staff to report back with a prioritized action plan for implementation. The Recommendations Implementation Matrix was received by the Council on November 21, 2006, with direction for staff to provide a status report to accompany the Strategic Plan reports. The monthly status update is attached.

Sustainability/ Green Task Force Priority Matrix

On January 16, 2007, the City Council adopted a resolution to form a 15-member Green Task Force to study and address a variety of environmental issues faced by the City. During their 12-month assignment (later extended to 15 months), the Task Force developed a Sustainable City Plan that included 26 recommendations. The Report was presented to the City Council on May 13, 2008. The City Council directed staff to assemble the recommendations into a matrix. On August 19, 2008, the City Council received and filed the Sustainability/ Green Task Force Priority Matrix and reviewed it on October 21, 2008. The monthly status update is attached.

Major City Facilities Priority List

On February 13, 2007, the City Council adopted the Major City Facilities Priority List. The Council requested that the list come back periodically for review. The attached version reflects the addition of the Dominguez Park Community Center as directed by

July 16, 2013

the City Council during adoption of the Fiscal Year 2007-2008 Budget on June 19, 2007.

COORDINATION

All departments participated in the development of the Strategic Plan and in providing the attached update. Relevant departments have reviewed the Water Quality Implementation Matrix, Sustainability/Green Task Force Matrix, and Major City Facilities Priority List.

FISCAL IMPACT

The total cost for this activity is included in the Mayor and City Council's portion of the FY 2012-2013 Adopted Annual Budget.

Submitted by:



William P. Workman, City Manager

Attachments:

- Strategic Plan Update - Six-Month Objectives dated July 16, 2013
- Water Quality Implementation Matrix dated July 16, 2013
- Sustainability/ Green Task Force Implementation Matrix dated July 16, 2013
- Major City Facilities Priority List dated June 2007

CITY OF REDONDO BEACH **SIX-MONTH STRATEGIC OBJECTIVES**
 February 21, 2013 – September 1, 2013

ACM=Assistant City Mgr CD=Community Development FS=Financial Services PW=Public Works RTCS= Recreation, Transit and Community Services WED=Waterfront and Economic Development

THREE-YEAR GOAL: VITALIZE THE WATERFRONT AND ARTESIA CORRIDOR						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the March 12, 2013 City Council meeting	WED Dir.	Present to the City Council for action CenterCal's conceptual site plan and financial plans for the waterfront, including Redondo Beach Marina Acquisition Plan.	X			
2. At the March 19, 2013 City Council meeting	PW Dir.	Present to the City Council for consideration a report on process costs and potential names for renaming Torrance Blvd.	X			
3. At the March 19, 2013 City Council meeting	Asst. to the CM and CD Dir. (co-leads), working with the City Attorney	Present to the City Council for action a plan to engage with AES and the community post-election.	X			Follow-on action underway
4. At the April 16, 2013 City Council meeting	City Manager and Asst. to the City Mgr., working with the Artesia Working Group	Complete and present to the City Council for consideration a Mini Strategic Plan, including the potential renaming of Artesia Blvd.				
5. At the April 16, 2013 City Council meeting	PW Dir. and WED Dir.	Present to the City Council for action Herondo/Harbor Gateway Improvement Project plan options.	X			

6. At the June 4, 2013 City Council meeting	Harbor Master and City Attorney	Recommend to the City Council for action regulations related to paddle sports in King Harbor.			X	HM/Fire has completed its review. Input has been provided to City Atty.; awaiting draft regulation for review. Suspended due to Assignment of City Attorney to handle AES CEC proceeding/will be revisited at next Strategic Planning meeting
7. At the June 4, 2013 City Council meeting	ACM, working with Forest City and the City Attorney	Present to the City Council for action the land swap for the new Transit Center.	X			The City Council approved the land swap at its May 29, 2013 meeting
8. At the June 25, 2013 City Council meeting	WED Dir. and CD Dir.	Present to the City Council for action CenterCal's detailed site plan for waterfront development and initiate the CEQA environmental review process			X	Pushed to July 30, 2013; issued RFQQ for environmental; proposals due 7/10
9. September 1, 2013	PW Dir. and WED Dir.	Present to the City Council for action final plans and specifications for the Moonstone Park area development.			X	Site plan must be altered to accommodate adjacent leaseholder property use modifications.
10. FUTURE OBJECTIVE _____	WED Dir.	Present to the City Council for consideration an update to the Harbor Business Plan reflecting current challenges and opportunities.	X			
11. FUTURE OBJECTIVE _____	PW Dir. – lead, WED Dir., Fire Chief, Harbor Master	Develop the Phase 2 Plan for transient vessel moorings, including land side boater amenities.		X		Fire/HM has reviewed current regulations on moorings; no additional collaboration has occurred with Fire/HM.

HARBOR PATROL STATISTICS FOR 2013

INCIDENT DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
BOAT RESCUES	12	12	10	10	11	15	20						90
FIRE RESPONSES	4	2	9	2	4	7	9						37
MEDICAL RESPONSES	6	10	11	8	7	10	10						62
MOORING PERMIT INSPECTIONS	10	6	19	16	8	10	15						84
MARINE ENFORCEMENT	61	25	58	38	80	185	115						562
ANCHORAGE PERMITS	2	4	3	4	4	4	3						24
COMMERCIAL INSPECTIONS	0	2	4	4	5	2	1						18
OVERHANG CHECKS	2	1	1	2	1	2	1						10
SEA LIFE RELATED CALLS	0	1	2	1	2	1	2						9
POLLUTION CALLS	2	2	2	4	2	3	1						16
AGENCY ASSISTS	1	3	2	2	3	2	2						15
PUBLIC ASSISTS	12	8	8	4	2	8	7						49
REPORTS-VESSEL ACCIDENT	0	0	2	1	1	1	2						7
REPORTS- VESSEL IMPOUND	0	0	0	0	0	0	0						0
REPORTS-MISCELLANEOUS	4	3	2	4	6	10	6						35
WATER RESCUE	0	0	0	1	1	1	1						4
ROCK ASSISTS	2	0	0	0	3	0	0						5
AIRPLANE DOWN CALLS	0	0	0	0	0	0	0						0
DIVE OPERATIONS	5	3	2	3	6	4	3						26
MISCELLANEOUS CALLS	6	8	12	15	36	45	47						169
TOTAL CALLS FOR SERVICE	129	90	147	119	182	310	245	0	0	0	0	0	1222



Administrative Report

Council Meeting Date: July 30, 2013

To: MAYOR AND CITY COUNCIL

From: PETE CARMICHAEL, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR

Subject: DISCUSSION AND POSSIBLE ACTION ON WATERFRONT REVITALIZATION PROJECT WITH CENTERCAL PROPERTIES

RECOMMENDATION

1. Approve Memorandum of Understanding with CenterCal Properties and authorize the Mayor to sign
2. Direct staff to prepare a project description based upon the revitalization concept attached as Exhibit D, and initiate an environmental review of the proposed project
3. Approve Third Amendment to Exclusive Negotiating Agreement with CenterCal Properties and authorize the Mayor to sign
4. Approve First Amendment to the City-CenterCal Properties Reimbursement Agreement and authorize the Mayor to sign

EXECUTIVE SUMMARY

The City plays an important role as the steward of a magnificent stretch of the California coastal zone and has an obligation to preserve this asset for future generations. Part of the City's responsibility in this regard is to preserve and enhance the public infrastructure, to seek opportunities that will improve access for both locals and visitors, and to ensure ongoing environmental sustainability. With this responsibility as steward and trustee of the coastline as a guiding principle, the City Council has made the revitalization of the waterfront a key strategic priority.

The Waterfront Revitalization in Redondo Beach is over ten years in the making, with a history of large scale public outreach and stakeholder involvement along the way. Public input on the proposed specific plan for the waterfront in the early 2000's, elicited a variety of opinions regarding best use, bringing forward a suite of city-wide votes and ultimately resulting in the passage of Measure G by the citizens. Measure G set a concrete framework for new development in the waterfront which the city has used as a blue print for revitalization in recent years. In 2012, the City selected CenterCal Properties as a partner in this revitalization process. Over the last year, CenterCal has been working collaboratively with the City, its residents, and stakeholders to develop a revitalization concept that will re-attract locals and appeal to visitors. This process has included eight town hall style

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meetings averaging over 200 participants as well as presentations to the City Council regarding the company's background and vision for the Waterfront.

The July 30th City Council meeting marks an interim milestone in this revitalization process, at which point the City Council will consider a set of preliminary, non-binding business terms for the proposed project and the extension of the relationship with CenterCal properties. The extension will provide for an environmental review of the project that will further vet the revitalization concept for the Waterfront site. A brief summary of the four recommended actions is provided below:

1. Approve a Memorandum of Understanding (MOU) with CenterCal Properties: the MOU is non-binding framework that outlines the summary business terms for the City's ongoing partnership with CenterCal.
2. Direct staff to prepare a project description based upon the revitalization concept attached as Exhibit D, for purposes of initiating environmental review of the proposed project: an environmental review is necessary to evaluate the project's impacts. The environmental review process is initiated with a project description based on CenterCal's revitalization concept and will consider impacts and mitigation measures.
3. Approve Third Amendment to Exclusive Negotiating Agreement with CenterCal Properties and authorize the Mayor to sign: the Exclusive Negotiating Agreement (ENA) provides the framework for negotiation and collaboration between the City and CenterCal. July 30th marks the end of the second phase of the ENA and staff is recommending extension of the agreement to the third phase of the ENA, which includes the environmental review process.
4. Approve First Amendment to the City-CenterCal Properties Reimbursement Agreement and authorize the Mayor to sign: This agreement provides for CenterCal's reimbursement to the City for certain project costs. The amendment provides for an additional deposit from CenterCal to continue this work.

Should the City Council move forward with CenterCal, the next step in the process, is the environmental review. This review will engage the public and identify the environmental impacts with required mitigations; all of which will shape the final parameters of the proposed project. Neither the MOU nor CenterCal's revitalization concept and drawings are final or binding on the City. The City Council retains discretion to approve or disapprove the proposed project based on its own deliberations, public input, and the environmental review, conducted in compliance with the California Environmental Quality Act (CEQA). Likewise, CenterCal also retains full discretion with regard to whether or not they will move forward with the proposed project.

The proposed project has the potential to deliver significant benefits to Redondo Beach, and could generate as much as \$4 – 5 million in new annual tax revenue. Additionally, through the proposed project, CenterCal will contribute to the upgrade and replacement of aging City infrastructure at the Waterfront, including the Pier Parking Structure which is nearing

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the end of its useful life and will likely need to be rebuilt with or without the CenterCal project.

BACKGROUND

The long history of revitalization efforts in the Redondo Beach Waterfront has been based on public outreach and stakeholder involvement. Public input on the proposed specific plan for the waterfront in the early 2000's, elicited a variety of opinions regarding best use, ultimately bringing forward a city-wide advisory vote. Subsequent public votes on measures DD and EE, further engaged public sentiment and resulted in the passing of new zoning regulations and land use plan amendments for the waterfront.

In 2007 and 2010, the City Council adopted an Asset Management Plan and a Business Plan respectively for the Harbor Enterprise. These documents, developed collaboratively, with input from waterfront stakeholders and the Harbor Commission, now serve as a road map for many of the broader revitalization activities in the area. Ultimately, the certification by the California Coastal Commission of the City's Local Coastal Program (LCP) and the subsequent approval of the zoning and land use plan amendments by the citizens of Redondo Beach via passage of Measure G set the stage for the broad revitalization and reinvestment that we are seeing today.

One of the central strategies in the 2007 Asset Management Plan is to promote the highest and best use of the waterfront property through consolidated ownership and the attraction of new private sector investment. The ultimate goal of this property consolidation was to attract a private sector partner with the capital and resources to redevelop the Waterfront within the parameters established by the citizens through Measure G. Work began on this strategy in early 2011 and has resulted in the consolidation of an approximately 15 acre site stretching from Torrance Boulevard to Portofino Way.

In October 2012, after a lengthy evaluation process, the City Council selected CenterCal Properties as the preferred development partner for the Waterfront. Based on submittals, extensive references, and site visits CenterCal was deemed the most qualified to take on the likely complex mix of uses and extensive community engagement that the proposed project would require. They have an impressive track record for building and operating great places and a proven, long term capital partner. Subsequent to selecting CenterCal, an Exclusive Negotiating Agreement (ENA) was approved on January 8th, 2013. An ENA is a common agreement for two parties to enter into at the outset of a significant project or negotiation like the one being considered for the Waterfront. The ENA provides negotiating certainty and exclusivity for both parties, providing for the major investment that is required to complete the planning work.

The ENA also provides a roadmap and approximate timeline for the due diligence; design work, environmental review, approvals, and transaction milestones for the proposed project.

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The ENA defines the key duties and deliverables for the process as well as the timing and accountability for each party. The ENA divided the development process into three distinct periods. ENA Period 1 lasted approximately three months and was focused on the creation of a preliminary revitalization concept through community engagement. ENA Period 2 covered approximately four months and focused on refining the revitalization concept and developing the MOU. ENA Period 3 is longer, approximately 24 months, and includes the environmental review of the proposed project.

Community Outreach

CenterCal has conducted eight public outreach meetings with an average of over 150 attendees at each as well as numerous specific stakeholder meetings with existing Pier and Harbor area tenants and lessees, Waterfront area home owner associations, the Beach Cities Health District, the Redondo Beach arts community, and the South Bay Bicycle Coalition. Additionally they toured and photographed views from many vantage points in the Village Condominiums, Ocean Club Apartments, and Crowne Plaza Hotel guestrooms to better understand their neighbors' perspective of the Pier and Harbor area.

The initial public outreach meetings were focused on listening to participants' views regarding likes, dislikes, memories, and aspirations for the Waterfront. These listening sessions then transitioned into more specific discussions of the best uses and site plan ideas for the proposed project area. CenterCal's revitalization concept has been developed with the direct input of a wide cross section of Redondo Beach stakeholders, including residents, merchants, and visitors. This input, combined with regional market and economic factors, as well as the physical conditions of the site have been crucial in developing the proposed revitalization concept and MOU.

Recommended Actions

July 30th marks the end of ENA period 2. The recommended actions are outlined in more detail below:

1. Approve a Memorandum of Understanding (MOU) with CenterCal Properties

The MOU is a non-binding framework outlining, high level, basic business terms of the potential long-term relationship between the City and CenterCal. The environmental review process will further shape and define these business terms. At the completion of the environmental review process, if the City Council elects to move forward, the business terms will be detailed through a binding ground lease and Disposition and Development Agreement (DDA). The key components of the MOU, which are non-binding and subject to change, are listed below:

- a. *Conditions to be met prior to ground lease* - conditions that must be met by both City and CenterCal prior to the ground lease, including sign-off of the physical site conditions; proof of developer financing; and receipt of land use entitlements.

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- b. *Development obligations* – the City would be obligated to construct or assist in financing / development of public infrastructure and CenterCal would be obligated to construct leasehold improvements consistent with the revitalization concept as may be amended through the environmental review process.
 - c. *Term of ground lease* - the City would lease CenterCal the Uplands portion of the site for 99 years and the Tidelands portion for 66 years.
 - d. *Ground Lease Payment* – CenterCal would pay ground rent to the City consistent with their target 10% return on investment. Additionally, the rent would be in line with any requirements related to fair market value as may be defined by Tidelands Trust Doctrine.
 - e. *MOU schedule* – the schedule highlights key milestones within the environmental review process including:
 - i. Commencement of drafting of the DDA, ground lease and other documents
 - ii. Review of property title
 - iii. Engagement of environmental consultant for preparation of environmental review
2. Direct staff to prepare a project description based upon the revitalization concept attached as Exhibit D, and initiate the environmental review of the proposed project.

Based on state law, established through the California Environmental Quality Act (CEQA), the Waterfront revitalization project requires an environmental review. The review is typically called an environmental impact report, or EIR, and will take approximately 24 months to complete. The EIR evaluates the proposed project's potential environmental impacts, including traffic, noise, air and water quality, and marine habitat impacts, among others. The EIR may also recommend mitigation measures for any impacts.

The EIR is initiated with a project description that outlines the details of the proposed project. The recommended project description is based on CenterCal's revitalization concept (attached as exhibit D). The proposed project includes significant infrastructure upgrades including replacement of the Pier Parking Structure and addressing sea level rise in Basin III, which are likely to be necessary in the next 5 to 10 years regardless of whether or not the broader Waterfront revitalization comes to pass.

The revitalization concept as proposed by CenterCal includes a mixture of uses including hotel, restaurants, shops, a boutique theater, and limited creative office space. The proposed plan also incorporates significant open space, with a central town green that can be programmed for community events and extensive new oceanfront boardwalk to improve access to the waters edge. Also proposed is the

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opening of Seaside Lagoon to the Harbor as a protected natural beach that would be open to the public year round, free of charge.

Linking the northern and southern portions of the project from Harbor Drive to Torrance Blvd. is a proposed access way along what used to be Pacific Avenue when this area was the City's downtown. This new access linkage could provide significant improvements to circulation and a major enhancement to public safety in the waterfront and the for the nearby Village Condominiums, specifically. This linkage could allow fire and police vehicles to respond much more rapidly to both the adjacent residences and pier area businesses. This access will be further explored through the EIR process and may be a road for vehicles or limited to other public transportation such as trolley or people mover.

3. Approve Third Amendment to Exclusive Negotiating Agreement with CenterCal Properties and authorize the Mayor to sign.

The January 2013 ENA serves as the umbrella document defining the relationship between the City and CenterCal Properties during initial concept development and project due diligence. July 30th is the end of ENA period 2 which saw CenterCal focus on community outreach to refine their revitalization concept. ENA period 3, should the City Council decide to extend the agreement, covers the environmental review process. This process is anticipated to last approximately 24 months; therefore recommended action is to extend the ENA to August, 2015.

4. Approve First Amendment to the City-CenterCal Properties Reimbursement Agreement and authorize the Mayor to sign.

The Agreement requires CenterCal to reimburse the City for its costs associated with the proposed revitalization project, including a variety of consultants and attorneys that bring a range of expertise to the City. The amendment requires an additional deposit from CenerCal to continue this work.

Public Infrastructure

Much of the public infrastructure in the Waterfront, including parking structures, marina basins, pathways and roadways were constructed over 50 years ago. The age of construction coupled with decades of exposure to the ocean elements has significantly degraded much of the infrastructure. A recent engineering report by Walker Parking Consultants indicates that the Pier parking structure, specifically, has 5 to 10 years of remaining useful life. Replacement cost for the Pier parking structure, essential to Waterfront merchants and visitors, is estimated to be as much as \$30 million.

It is important to note that the environmental review process would be a required prerequisite for the replacement of the Pier parking structure and other public infrastructure, regardless of whether the rest of the CenterCal revitalization concept comes to pass. Also important to note is the potential benefits the proposed CenterCal project brings in assisting

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with this infrastructure reinvestment. Through the proposed revitalization concept, CenterCal would bear much of the project risk. Further, the new tax and leasehold revenue generated from the proposed project (as much as \$4 - \$5 million annually to the City) will be important as the City contemplates making this investment in the infrastructure and the future of its Waterfront.

COORDINATION

This item was coordinated with the City Manager's Office, The City Attorney's Office, the Community Development Department, the Public Works Department, and the Fire and Police Departments. Additionally, Staff has collaborated with The California Coastal Commission and The State Lands Commission in the development of this report.

FISCAL IMPACT

The total investment in the Redondo Beach Waterfront by the City and CenterCal Properties could be as much as \$250 to \$350 million over the next 5 to 10 years. This would likely include both a significant investment in the public infrastructure by the City as well as the private leasehold investment being proposed by CenterCal. The new retail, entertainment, and hospitality uses potentially resulting from this project could generate as much as \$4 - \$5 million new annual revenue to the City and Harbor Funds through sales tax, transient occupancy (hotel) tax and leasehold ground rent.

The costs associated with the development of this administrative report are funded within the approved FY 2013-14 Budget for the Waterfront and Economic Development Department.

Submitted by:



Pete Carmichael
Waterfront and Economic Development
Director

Approved for forwarding by:



William P. Workman
City Manager

Attached:

- Attachment A: Memorandum of Understanding Between the City of Redondo Beach and CenterCal Properties
- Attachment B: Third Amendment to the Exclusive Negotiating Agreement Between the City of Redondo Beach and CenterCal Properties

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- Attachment C: First Amendment to the Reimbursement Agreement Between the City of Redondo Beach and CenterCal Properties
- Attachment D: CenterCal Revitalization Concept Schematic Drawing

**Attachment A: Memorandum of Understanding Between the City
of Redondo Beach and CenterCal Properties**

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is made as of this 30th day of July, 2013, by and between the **CITY OF REDONDO BEACH**, a chartered city and municipal corporation ("City"), and **CENTERCAL PROPERTIES, LLC**, a Delaware limited liability company ("Developer") (the Developer and the City are collectively referred to herein as the "Parties").

WHEREAS, the Developer and the City are parties to that certain Exclusive Negotiating Agreement dated January 8, 2013 (the "Original ENA"), as amended by that certain First Amendment to Exclusive Negotiating Agreement dated March 12, 2013 and that certain Second Amendment to Exclusive Negotiating Agreement dated May 21, 2013 (the Original ENA as so amended is sometimes referred to collectively as the "ENA"), to establish a period during which the Developer and the City shall exclusively negotiate with each other toward consideration of a Disposition and Development Agreement or other agreement ("DDA") for the City's ground lease of certain real property located on the Redondo Beach waterfront (the "Site") to the Developer, and the Developer's redevelopment of the Site (the "Proposed Development"); and

WHEREAS, pursuant to the ENA, the Parties agreed to diligently negotiate and prepare a Memorandum of Understanding, which shall be based upon the terms and conditions contained in the preliminary DDA/Ground Lease term sheet and the concept plans that form the basis for the project description to be prepared for the purposes of the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.* ("CEQA"); and

WHEREAS, the Parties agree that the Memorandum of Understanding shall include a summary of the proposed terms and conditions of the proposed ground lease of the Site from City to the Developer, a description of the improvements proposed to be constructed by Developer, a proposed schedule, proposed City construction of public improvements and other potential public agency participation to be requested for the project, and other terms and conditions that may be included in a subsequent DDA, Ground Lease, Development Agreement or other agreements, if any; and

WHEREAS, the City and the Developer have determined that the complexity of the Proposed Development requires that the parties enter into a preliminary and non-binding summary of the contemplated transaction in order for each party to take steps toward determining the feasibility of the transaction and negotiating the agreements which would be required to implement that transaction; and

WHEREAS, the Developer and the City now desire to set forth the terms and conditions of the Memorandum of Understanding as contemplated by the ENA; and

WHEREAS, the City has adopted a Pier and Harbor Asset Management Plan and a Harbor Enterprise Business Plan, which state that many of the existing waterfront public facilities are tired, aging, disconnected and unappealing, and require significant redevelopment in order to maximize the potential use and attractiveness of the waterfront area; and

WHEREAS, a primary objective of the City in entering into the ENA is, among other things, to explore the feasibility of financing mechanisms for the construction and rehabilitation of public works infrastructure located within the Redondo Beach waterfront area; and

WHEREAS, the MOU contains preliminary terms and conditions which would facilitate the construction and rehabilitation of public works infrastructure located within the Redondo Beach waterfront area; and

WHEREAS, nothing in this MOU will limit any discretionary power afforded to the City under all applicable law, including without limitation CEQA; and

WHEREAS, this MOU provides that the City will retain the absolute sole discretion to modify the transaction, create or enter into transactional documents, and modify any of the proposed provisions, responsibilities, conditions, and/or terms contained herein, as necessary to comply with CEQA.

NOW, THEREFORE, the Developer and the City agree as follows:

1. **Recitals Incorporated by Reference.** The recitals set forth above are incorporated by this reference as if set out in full.

2. **Defined Terms.** All words used with initial capital letters in this MOU shall have the same meaning as is set forth for such words in the ENA unless a different meaning is set forth for such words in this MOU.

3. **Purpose and Limitations.** This MOU is entered into to memorialize the preliminary and non-binding terms, as negotiated and agreed upon by the City and Developer, to assess the feasibility of completing the transactions and further agreements discussed herein. As discussed in the recitals and throughout the MOU, the provisions and terms in this MOU are preliminary and shall not be construed to limit the consideration of alternatives, or mitigation measures developed pursuant to CEQA, and/or further public review of the Proposed Project.

a. **General Framework.** This MOU is intended to provide a general framework for subsequent good-faith negotiation of definitive agreements regarding the development and operation of the Proposed Development pursuant to the ENA, and is not intended to create any binding contractual obligations on either Party or to commit either Party to a particular course of action. A transaction of this type involves many essential terms and conditions that have not yet been agreed upon, and it is expressly contemplated by the Parties that in order to effectuate the Proposed Development, binding agreements would have to be negotiated, agreed to by the Parties and ultimately submitted to the City Council for approval.

b. **City Discretion.** The City retains absolute and sole discretion to:

i. Modify the transaction, create and enter into transactional documents, and modify the Proposed Development as may, in its sole discretion, be necessary to comply with CEQA;

ii. Select other feasible alternatives to avoid significant environmental impacts;

iii. Balance the benefits of the Proposed Development against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided; and/or

iv. Determine not to proceed with the Proposed Development.

c. **Final Agreements Required.** The Proposed Development shall not proceed unless and until the parties have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and on other public review and hearing processes, and subject to all applicable governmental approvals.

4. MOU Schedule. The Parties' negotiation, preparation and consideration of approval of the proposed agreements referenced in this MOU and other actions necessary in connection therewith shall be performed in accordance with the schedule set forth in Exhibit "A" hereof (the "MOU Schedule"). The MOU Schedule shall supersede the Negotiating Period No. 3 Duties set forth in the ENA Schedule attached as Exhibit "F" to the ENA. To the extent that the MOU Schedule is in conflict with the ENA Schedule, the MOU Schedule shall prevail.

5. CEQA Review. City has not committed itself to the Proposed Development, or any actions discussed herein, so as to effectively preclude the consideration and/or incorporation of any alternatives or mitigation measures required under CEQA, including, but not limited to, the alternative of not proceeding with the Proposed Development.

6. DDA. City and Developer may, but are not obligated to, enter into a DDA which would contain the following terms and conditions, subject to change as required by applicable law, including CEQA. The obligations, terms, and rights discussed in this section are of a preliminary nature, and shall serve as a framework for continued good-faith negotiations. City retains the absolute discretion to make changes to the obligations, terms, and rights discussed herein depending upon the requirements of applicable law and information produced from environmental review pursuant to CEQA, prior to formal approval.

a. City would enter into a ground lease of the Site to Developer, in the form set forth in paragraph 7 hereof. The boundaries of the Site to be leased to the Developer may need to be revised as a result of such factors as the results of the environmental review conducted pursuant to CEQA and the City's ownership and possession rights with respect to the Site, and "Site" shall refer herein to the Site as it may be so revised.

b. City would deliver possession of the Site to Developer free of any and all liens, encumbrances, and security interests, except for non-delinquent real estate taxes and those matters of record approved by Developer in its discretion prior to entering into the Ground Lease. The DDA would contain a procedure for Developer review and approval or disapproval of title matters and additional title matters arising after the initial title review, and City removal of disapproved exceptions from title before delivery of possession of the Site to Developer under the Ground Lease.

c. The execution and commencement of the proposed Ground Lease would occur when and only if the following conditions have been satisfied:

- Compliance with CEQA
- City acquisition of Site
- Developer approval of title of Site
- Developer approval of environmental condition of Site
- Developer approval of physical condition of Site
- Removal of tidelands designation from north parcel of Site
- Title company issuance of leasehold title policy to Developer
- Completion of relocation of tenants of site
- Developer submittal to City of financing plan describing all proposed financing for the Proposed Development, and the approval of the City thereof.
- City's receipt and approval of reasonable assurance of availability of financing contained in approved financing plan, including final certification of project from CenterCal Properties, LLC.
 - Receipt of all required land use entitlements for Proposed Development
 - All demolition permits for the Proposed Development are ready for issuance upon commencement of Ground Lease and payment of fees
 - Developer delivery of construction security reasonably acceptable to City
 - Developer delivery of required insurance certificates to City
 - If required by the State Lands Commission, approval by the State Lands Commission of the Tidelands Lease
 - Tidelands Lease rent must be established at the appraised fair market rental value of the Tidelands parcel, taking into consideration all of the use and development requirements imposed upon the Site by the DDA and the Ground Lease, and must be in compliance with the Public Trust Doctrine and all applicable state requirements for the lease of tidelands

d. Developer would be obligated to develop and construct at its sole cost and expense the Proposed Development, as the final scope of such project is determined subsequent

to and in accordance with the environmental analysis performed pursuant to CEQA (provided that if Developer, in its sole discretion, does not approve the final scope of the Proposed Development which is determined pursuant to CEQA, Developer may elect to discontinue negotiating towards a DDA). The scope of development and schedule of performance of the Proposed Development would reflect the phased construction of the Proposed Development. Developer would be responsible for compliance with all applicable laws in connection with such construction and development of the Proposed Development.

e. City would be obligated to construct or provide financial assistance for the construction of certain public works infrastructure which would be required in connection with the Proposed Development. The final scope of such public works infrastructure would be determined subsequent to and in accordance with the environmental analysis performed pursuant to CEQA, and may include, by way of example, the construction or reconstruction of parking structures, street and circulation improvements, pedestrian improvements, and waterfront amenities.

f. The City would make arrangements for parking for those offsite tenants and their invitees that would be contractually entitled to use public parking during the demolition and reconstruction of the Developer's Improvements (if any).

g. With respect to the Pier, Developer would be responsible for specified janitorial, security and building maintenance. The City would be responsible for structural maintenance, structural replacement, and insurance, and would contribute to the costs of common area maintenance for areas outside the Site.

h. The City and the Developer would enter into a parking management agreement under which the City would compensate the Developer for providing janitorial, daily maintenance, and security services. The responsibility for the repair and maintenance of the parking facilities, and for the collection, enforcement and administration of parking fees, would be set forth in the financing structure and/or DDA.

i. Seaside Lagoon would be open to the public at no charge. City would be responsible for the cost and provision of janitorial, life and safety, security, repair and maintenance, and insurance for Seaside Lagoon. The City may engage Developer to provide janitorial services.

j. City would be responsible for the cost and provision of janitorial, life and safety, security, repair and maintenance, and insurance for any public beach located within the Site. The City may engage Developer to provide janitorial services.

k. Developer and City would mutually agree upon a plan for onsite security, including both private security guard and police staffing, and other mutually desired security measures, and each party would be required to carry out its obligations set forth in such plan.

l. Developer's rights to construct, lease and operate recreational/boating uses, and concessions/accessory uses in the Seaside Lagoon, if any, would be specified in the

DDA. Concessions/accessory uses may include retail sales, restaurants and casual dining, beach club, office, maintenance, and public safety uses.

m. Developer's rights to construct, lease and operate concessions in any public beach areas of the Site, if any, would be specified in the DDA, which may include beachgoer services and food sales.

n. Developer's rights with respect to mooring operations in the harbor area, if any, would be specified in the DDA.

o. The Developer's rights under any subsequently adopted DDA would not be assignable or transferable without the approval of the City, except that certain assignments for financing purposes and assignments to affiliated parties would be permitted without City approval.

7. **Ground Lease.** City and Developer may enter into a Ground Lease which would contain the following terms and conditions:

a. The obligations, terms, and rights discussed in this section are of a preliminary nature, and shall serve as a framework for continued good-faith negotiations. City retains the absolute discretion to make changes to the obligations, terms, and rights discussed herein depending upon, among other things, the requirements of applicable law and information produced from environmental review pursuant to CEQA, prior to formal approval.

b. The Parties tentatively agree that the term of the Ground Lease would be the maximum term allowed by state law, provided that the Parties preliminarily agree that the Ground Lease would collectively consist of two (2) ground leases: one ground lease for a period of 99 years for those parcels within any portion of the Site not designated as tidelands (the "Uplands Lease"), and another ground lease for a period of 66 years for those parcels within any portion of the Site designated as tidelands (the "Tidelands Lease"). The City would investigate potential changes to the designation of uplands and tidelands areas.

c. Rent payable under the Ground Lease would be established at an amount mutually acceptable to City and Developer, based upon a 10% Developer return on project cost. Total rent generated by the Uplands Lease and the Tidelands Lease would need to be allocated as mutually acceptable to City and Developer in order to meet the foregoing standard and the requirements of Section 6(c) above that rent for the Tidelands Lease be at fair market value and in accordance with the Public Trust Doctrine and other applicable state requirements.

d. Developer would provide maintenance for the buildings and common areas located on the Ground Lease Parcels other than the Pier and the Lagoon, including janitorial, onsite security, insurance, repair and maintenance.

e. Developer would be responsible for the payment of all taxes and assessments imposed upon the Site.

f. Developer and its tenants would be responsible for all utility services required for the Site.

8. Development Agreement. City and Developer may enter into a Development Agreement which would contain the following terms and conditions. The obligations, terms, and rights discussed in this section are of a preliminary nature, and shall serve as a framework for continued good-faith negotiations. City retains the absolute discretion to make changes to the obligations, terms, and rights discussed herein depending upon, among other things, the requirements of applicable law and information produced from environmental review pursuant to CEQA, prior to formal approval.

a. Developer would agree to pay the City fees and exactions described in the Development Agreement. For a designated period of time the City would not impose new fees on the Proposed Development and would not change the method or rate of calculation of those fees.

b. If the Parties execute a Development Agreement, any land use entitlements would be vested for a period at least as long as necessary to carry out the construction in accordance with the schedule of development.

9. MOU Does Not Constitute Land Use Approval. This MOU shall not be construed as a grant of development rights or land use entitlements to construct the Proposed Development or any other project on the Site. All design, architectural, and building plans for the Proposed Development shall be subject to the review and approval of the City. By its approval of this MOU, the City is not committing itself to or agreeing to undertake the disposition of the Site to the Developer, or any other acts or activities requiring the subsequent independent exercise of discretion by the City or any agency or department thereof.

Developer would be required to secure all required development approvals and all governmental approvals, which may include, without limitation, a coastal development permit, conditional use permit, design review approval, and tentative subdivision map. City and Developer acknowledge and agree that the terms of this MOU are preliminary, non-binding, and intended to serve as a framework for future negotiations, and that any further approvals are conditioned on City and Developer completing proceedings under CEQA in connection with the Proposed Development, and the expiration of the applicable period for any challenge to the adequacy of City's and Developer's compliance with CEQA without any challenge being filed. The Development Project shall not proceed unless and until the parties have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and on other public review and hearing processes and subject to all applicable governmental approvals. The City retains full discretion regarding any CEQA documentation with respect to the Proposed Development, and any mitigation measures or alternatives to the Proposed Development pursuant to CEQA, including a decision not to proceed with the Proposed Development.

10. MOU Does Not Constitute Approval of Agreements. The Parties agree and acknowledge that nothing in this MOU in any respect does or shall be construed to affect or prejudice the exercise of the City's discretion concerning consideration of the DDA, the Ground

Lease, the Development Agreement, or any other potential agreement with the Developer. The Parties do not intend this MOU to be a DDA, development agreement, lease, purchase agreement or other agreement for the lease or other conveyance of land or the construction or development of improvements thereon. The parties acknowledge that they have not finalized the essential terms of the subject matter of an agreed transaction, and that such essential terms would be the subject matter of further negotiations. Notwithstanding the approval of this MOU, the Parties intend that any final agreement, if an agreement is reached, would be memorialized in the form of the DDA, Ground Lease and Development Agreement, which would be considered and formally approved and executed by authorized representatives of each of the Parties in accordance with the ENA and applicable law. The City retains full discretion with respect to any approval, disapproval, or other action on the Proposed Development and DDA, Ground Lease, Development Agreement and other agreements.

The Parties agree that the City has not committed itself to any particular course of action with respect to the Proposed Development, DDA, Ground Lease, Development Agreement or any other future agreements. The City retains its authority to effectively consider and incorporate, as required by law, any feasible alternatives and mitigation measures identified during environmental review under CEQA. The City also retains the discretion to not proceed with the Proposed Development.

11. Non-Binding Effect. This document solely constitutes an outline of the prospective terms for negotiation of a potential transaction to be documented (if at all) by formal written agreement between City and Developer. By signing below, the parties evidence their general, preliminary agreement with the provisions of this MOU and agree to use this MOU as the framework for the good faith negotiations of binding definitive agreements. Any agreements resulting from negotiations would become effective only if and after such agreement has been considered and approved by the City following conduct of all legally required procedures. Actions taken by either city or Developer, including but not limited to expenditure of funds, incurring or canceling other commitments, or acts taken to implement any of the proposed terms set forth in this document, shall not be construed as part performance of the proposed terms and conditions contained herein, nor shall the party taking such action be regarded as having changed its position in reasonable reliance on the terms and conditions contained herein, so as to give rise to a claim of promissory estoppel or other equitable claims.

12. City Council Authority and Responsibility. Nothing in this MOU, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's discretionary authority to approve, disapprove, or elect not to proceed with the Proposed Development or any associated future agreements. Nothing in this MOU, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's responsibilities under CEQA, including, but not limited to, the consideration of any feasible alternatives and mitigation measures that may be developed during CEQA review.

IN WITNESS WHEREOF, this MOU has been approved by the Parties on the date first above written.

CITY:

CITY OF REDONDO BEACH,
a chartered city and municipal corporation

By: _____
Steve Aspel, Mayor

ATTEST:

Eleanor Manzano, City Clerk

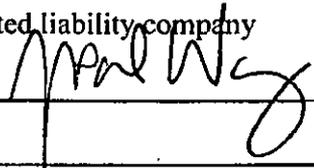
APPROVED AS TO FORM:

OK MWW 7/25/13

Michael W. Webb, City Attorney

DEVELOPER:

CENTERCAL PROPERTIES, LLC, a Delaware
limited liability company

By: _____


Its: _____

IN WITNESS WHEREOF, this MOU has been approved by the Parties on the date first above written.

CITY:

CITY OF REDONDO BEACH,
a chartered city and municipal corporation

By: _____
Steve Aspel, Mayor

ATTEST:

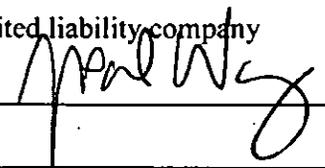
Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

DEVELOPER:

CENTERCAL PROPERTIES, LLC, a Delaware
limited liability company

By: _____


Its: _____

EXHIBIT "A" TO MEMORANDUM OF UNDERSTANDING

MOU SCHEDULE

Activity	Responsible Party	Date
Commence drafting of proposed DDA, Ground Lease, Development Agreement and other proposed agreements	City	Immediately upon City Council approval of MOU
Deliver first draft of proposed DDA, Ground Lease, Development Agreement and other proposed agreements to Developer	City	Within first 30 days after City Council approval of MOU
Developer submits comments to first draft of proposed DDA, Ground Lease, Development Agreement and other proposed agreements	Developer	Within 30 days of receipt of first draft of proposed DDA, Ground Lease, Development Agreement and other proposed agreements
Developer submits design drawings to City necessary to commence CEQA documentation	Developer	On or before December 6, 2013
City provides preliminary title report and title information to Developer	City	Completed
Developer reviews title report and title information and provides preliminary comments to City	Developer	Within 90 days after City Council approval of MOU
Developer conducts studies of physical and environmental condition of proposed Site and provides preliminary comments to City	Developer	Within first 120 days after City Council approval of MOU
City executes agreement with environmental consultant for preparation of CEQA documentation	City	Within 30 days after City Council approval of MOU
City obtains appraisal of fair market value and fair rental value of Tidelands portion of Site	City	Within 180 days prior to City Council consideration of proposed DDA, Ground Lease, Development Agreement and other proposed agreements
City consideration of certification of CEQA documentation	City	Prior to end of ENA Negotiating Period No. 3

City consideration of approval of proposed DDA, Ground Lease, Development Agreement and other proposed agreements	City	Prior to end of ENA Negotiating Period No. 3
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Attachment B: Third Amendment to the Exclusive Negotiating Agreement Between the City of Redondo Beach and CenterCal Properties

AMENDMENT NO. 3 TO EXCLUSIVE NEGOTIATING AGREEMENT

THIS AMENDMENT NO. 3 TO EXCLUSIVE NEGOTIATING AGREEMENT (the "Amendment") is entered into as of July 30, 2013, by and between the **CITY OF REDONDO BEACH**, a chartered city and municipal corporation ("City"), and **CENTERCAL PROPERTIES, LLC**, a Delaware limited liability company ("Developer") (the Developer and the City are collectively referred to herein as the "Parties").

RECITALS

A. The City and the Developer have entered into an Exclusive Negotiating Agreement, dated as of January 8, 2013, as amended by Amendment No. 1 to Exclusive Negotiating Agreement, dated as of March 12, 2013, and Amendment No. 2 to Exclusive Negotiating Agreement, dated as of May 21, 2013 (as amended, the "ENA"). The ENA establishes a period during which the Developer and the City will exclusively negotiate with each other toward a Disposition and Development Agreement or other agreement ("DDA") for the City's ground lease to the Developer of real property located on the Redondo Beach waterfront owned by the City (the "Site"), and the Developer's redevelopment of the Site (the "Project").

B. The ENA provides for up to three periods for the negotiation of the DDA. The ENA provides that if the Developer has substantially performed all of its material duties under the ENA prior to the end of Negotiating Period No. 2, and the City Council has considered certain Developer submissions and approved an MOU, the term of Negotiating Period No. 3 shall be established by the Parties at a date the Parties determine is necessary to complete the negotiation and drafting of the DDA and the completion of the CEQA documentation necessary for the DDA.

C. The City acknowledges that the Developer has substantially performed its material duties under the ENA prior to the end of Negotiating Period No. 2, and/or will perform such duties during Negotiating Period No. 3 as the parties have determined appropriate. The Parties further acknowledge that the City Council has duly considered the items which the Developer has submitted during Negotiating Period No. 2, and that the Parties have approved an MOU concurrently with this Agreement.

D. The parties now desire to establish the term of Negotiating Period No. 3.

NOW THEREFORE, the ENA is hereby amended as follows:

1. **Negotiating Period No. 3.** The term of Negotiating Period No. 3 hereby commences upon the date of this Amendment and ends on the earlier of (a) the date of City certification of the CEQA documentation necessary for the DDA, or (b) August 5, 2015.

2. **Additional Deposit.** The requirement for the Developer to deliver the "Additional Deposit" of Two Hundred Forty Thousand Dollars (\$240,000), as set forth in Section 4 of the ENA and Exhibit D to the ENA, is hereby deleted. All further references in the

ENA to the Additional Deposit and any obligation of Developer to make the Additional Deposit are also deleted in their entirety and of no force or effect.

3. Redondo Beach Marina Acquisition Funding Plan. All references in the ENA to the "Redondo Beach Marina Acquisition Funding Plan," and any obligation of Developer to submit a Redondo Beach Marina Acquisition Funding Plan and for the City to approve a Redondo Beach Marina Acquisition Funding Plan, are deleted in their entirety and of no force or effect.

4. No Further Changes. Except as expressly provided herein, nothing in this Amendment shall be deemed to waive or modify any of the other provisions of the ENA. In the event of any conflict between this Amendment and the ENA, the terms of this Amendment shall prevail. Unless otherwise expressly provided in this Amendment, capitalized terms used in this Amendment shall have the same meanings as in the ENA.

5. City Council Authority and Responsibility. Nothing in this Amendment or the ENA, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's discretionary authority to approve, disapprove, or elect not to proceed with the Project or any associated future agreements. Nothing in this Amendment or the ENA, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's responsibilities under CEQA, including, but not limited to, the consideration of any feasible alternatives and mitigation measures that may be developed during CEQA review.

NOW THEREFORE, the City and the Developer have executed this Amendment as of the date first set forth above.

CITY:

CITY OF REDONDO BEACH,
a chartered city and municipal corporation

By: _____

Steve Aspel, Mayor

ATTEST:

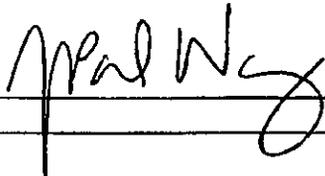
Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

OK MW 7/25/13
Michael W. Webb, City Attorney

DEVELOPER:

CENTERCAL PROPERTIES, LLC, a Delaware
limited liability company

By: 
Its: _____

APPROVED AS TO FORM:

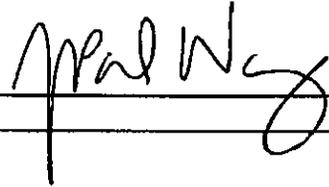
Michael W. Webb, City Attorney

DEVELOPER:

CENTERCAL PROPERTIES, LLC, a Delaware
limited liability company

By:

Its:



Attachment C: First Amendment to the Reimbursement Agreement Between the City of Redondo Beach and CenterCal Properties

FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT

This First Amendment to Reimbursement Agreement (the "Amendment") is made and entered into as of July 30, 2013 (the "Effective Date"), by and between the **CITY OF REDONDO BEACH**, a chartered city and municipal corporation ("City"), and **CENTERCAL PROPERTIES, LLC**, a Delaware limited liability company ("Developer").

RECITALS

- A. The City and the Developer have entered into an Exclusive Negotiating Agreement (the "ENA"), dated as of January 8, 2013, to establish a period during which the Developer and the City will exclusively negotiate with each other toward a Disposition and Development Agreement or other agreement ("DDA") for the City's ground lease to the Developer of real property located on the Redondo Beach waterfront owned by the City (the "Site"), and the Developer's redevelopment of the Site ("Project").
- B. The ENA provides that the parties will enter into a Reimbursement Agreement which will contain certain cost controls and limitations reasonably acceptable to both parties based upon an itemized budget estimate of the expected cost and third party services plus a reasonable contingency amount.
- C. The City and the Developer have entered into a "Reimbursement Agreement," dated as of March 12, 2013, which sets forth the terms and conditions for Developer to advance funds for and pay for additional reasonably necessary out-of-pocket third party expenses incurred by the City for third party services required in the implementation of the ENA.
- D. The Reimbursement Agreement provides that prior to the end of ENA Negotiating Period No. 2, the City and Developer shall use diligent good faith efforts to mutually agree upon a detailed budget and determine a schedule of further Developer disbursements into the Project Account as needed to pay for the Services to be provided during ENA Negotiating Period No. 3. The parties desire by this Amendment to provide for an additional Developer disbursement upon the approval of this Amendment, and to establish a procedure for the later establishment of a budget and further Developer disbursements.

NOW, THEREFORE, City and Developer hereby agree to amend the Reimbursement Agreement as follows:

- 1. Developer Disbursements.** Developer shall deposit \$100,000 into the Project Account within fifteen days of the Effective Date of this Amendment. City shall be entitled to use such additional \$100,000 deposit only for costs of the Real Estate/Economic Consultant and the Real Estate Counsel in accordance with the requirements of the Reimbursement Agreement. Within fifteen days after the earlier of (a) Developer's submittal to the City of design drawings necessary to commence CEQA documentation, or (b) Developer's delivery to City of written notice to proceed with additional Services, the City and Developer shall use diligent good faith efforts to mutually agree upon a detailed budget and determine a schedule of further Developer

disbursements into the Project Account as needed to pay for the Services to be provided during ENA Negotiating Period No. 3.

2. **No Further Changes.** Except as expressly provided herein, nothing in this Amendment shall be deemed to waive or modify any of the other provisions of the Reimbursement Agreement. In the event of any conflict between this Amendment and the Reimbursement Agreement, the terms of this Amendment shall prevail. Unless otherwise expressly provided in this Amendment, capitalized terms used in this Amendment shall have the same meanings as in the Reimbursement Agreement.

3. **City Council Authority and Responsibility.** Nothing in this Amendment or the Reimbursement Agreement, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's discretionary authority to approve, disapprove, or elect not to proceed with the Project or any associated future agreements. Nothing in this Amendment or the Reimbursement Agreement, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's responsibilities under CEQA, including, but not limited to, the consideration of any feasible alternatives and mitigation measures that may be developed during CEQA review.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

CITY:

CITY OF REDONDO BEACH,
a chartered city and municipal corporation

By: _____

Steve Aspel, Mayor

ATTEST:

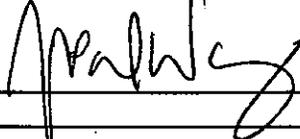
Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

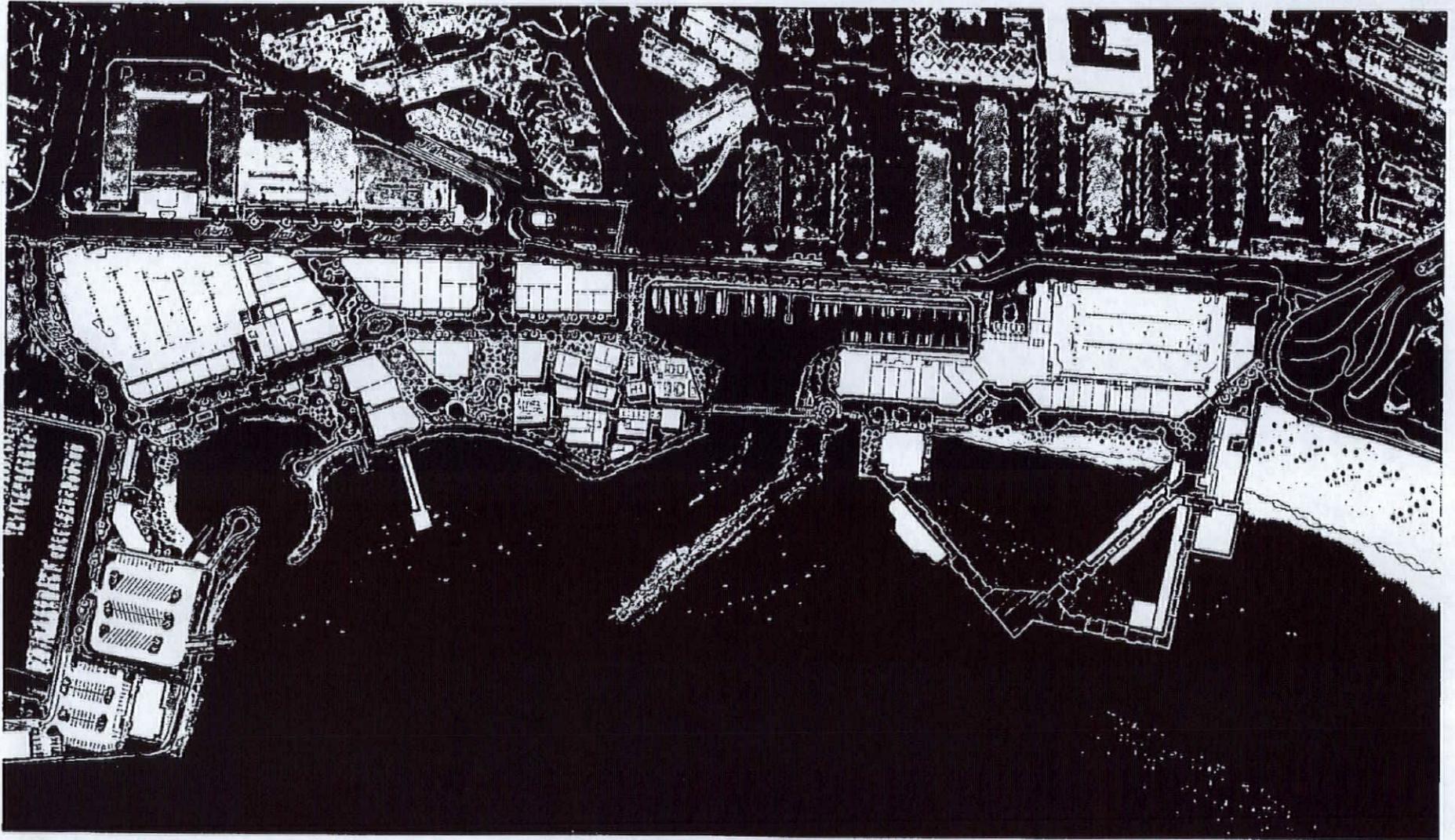
OK MWW 7/25/13
Michael W. Webb, City Attorney

DEVELOPER:

CENTERCAL PROPERTIES, LLC, a Delaware
limited liability company

By:  _____
Its: _____

**Attachment D: CenterCal Revitalization Concept Schematic
Drawing**



REDONDO BEACH WATERFRONT

REDONDO BEACH, CALIFORNIA

JULY 24, 2013



**PUBLIC
CORRESPONDENCE
ATTACHED**

Waterfront Development/CenterCal, Item _____

When the harbor proposal was put together, inclusion of a performing arts area failed to take into account that Redondo Beach already has the Performing Arts Center on Aviation Boulevard. Or maybe it will be an "upscale" movie theater? How smart is it to have two live theater venues competitive with each other? Or another movie theater within about five miles of more than thirty competing screens? Even if the new venue is "upscale" (a favorite descriptor, apparently meaning that it will be too expensive for a family with children) there are already similar theaters not far away. I thought the objective was to make a place to attract people who want to see the ocean. I urge the Council to review the proposal critically and reject those features which needlessly duplicate existing amenities.

LETTER TO BE RECEIVED AND FILED FOR the 7/30/13, City Council Meeting
Waterfront: Development/CenterCal, Item NO. _____

To: Mayor of Redondo Beach and City Councilmen:

As a 20 year resident of Redondo Beach, I would like to express my grave concerns about the current waterfront development project by CenterCal:

1. Public views of the waterfront, King Harbor, and ocean will be blocked which violates the California Coastal Commission permitting.
2. 3D area designed to scale showing existing buildings and new buildings.
To show impact of the height of the structures and impacted views from various view points in the Village area from Beryl St. to Torrance Ave.
3. Economic, Traffic, and Environmental Impact Studies ?
4. Road connecting Torrance Blvd. and Harbor Ave. Must be able to handle the Car traffic going and coming from the mall plus bicycle and pedestrian traffic moving from Hermosa Beach and Torrance Beach boardwalk.
5. Is it Designed for Tsunami, Earthquake, and Flood?
6. California Conservancy Group- Historic sites Captain Kids, Polly's, Tony's On The Pier.
7. Seals & water animals in the new seaside lagoon.
8. Additional water next to King Harbor Pier. Why?
9. What stores are they putting in?
10. Is this the same design as for San Pedro?
11. What if this fails What are you(City of Redondo) going to do?
12. Voting on CenterCal's current proposal without you and the citizens of Redondo Beach reviewing a finalized proposal with full details of economic, traffic, and environmental impact studies.

Regards,

Julius J Mondragon III
120 The Village #301
Redondo Beach, CA 90277

To Mr. Mayor, Elected Officials, CentreCal and fellow Redondo Beach Residents: I have walked away from 3 CenterCal meetings with the following: Ruin the view. Put a road in front of condos that bought their homes because it was marina/"beachfront". We are a beach town. If people can't walk from Harbor Drive to Torrance Blvd, they certainly won't come and hang out at the beach/marina. We are not Vancouver or San Francisco. We are a proud beach town and I hope that when the plans are finalized that you respect the opinions of the people that live marina front considering we are the ones in the town that will use it the most. The plans show a Disneylandesque village that the homeless can shower in the fountains and shops that will go out of business in less than a year. CentreCal should listen to the residents and give us back our harbor, views and beach like village.

Jacqueline K. Papier
250 The Village, #110
Redondo Beach, CA 90277
310-488-6003

LETTER TO BE RECEIVED AND FILED FOR THE 7/30/13, City Council Meeting, Waterfront Development/CenterCal, Item No. xxxx

REDONDO BEACH WATERFRONT DEVELOPMENT

Mayor & City Council,

Pave paradise and put up a parking lot? That seems to be the theme of CenterCal's latest site plan for the Redondo Beach waterfront published on May 11. Shown below are a number of issues that I have with the plan.

The Hotel

How did the boutique hotel morph into the behemoth that is now planned? What tourist wants a view of pier pilings during sunset? What happens to that fishing line and hooks anglers lose while pursuing their hobby? Wouldn't this be a risk to toddlers on the hotel beach? What happened to the underground parking? Isn't the roof parking a clever way to skirt the restrictions on maximum building height? What's to prevent a billboard-toting vehicle from parking on the roof for free advertising?

The Road

Why do we need a road connecting Harbor and Torrance Boulevards? Wouldn't it create congestion, noise, and pollution, and attract an unwelcome crowd to the neighborhood? On busy days, wouldn't it be a parking lot? Have you ever seen PCH in Malibu on the weekend? It's a zoo.

Wouldn't the road attract people cruising in their cars similar to Hollywood Boulevard, motorcycle gangs circling around the neighborhood using Catalina and the connecting roads as a circular track, drug dealers selling drugs from their cars, and rowdy drunk drivers looking for a party? Is this the family friendly environment that CenterCal envisions? Do we really need a road? What's wrong with electric people movers?

Westwood Village

Is there any doubt about what an unwelcome crowd can do to the commercial success of a project? Do you remember Westwood Village? During the 1970's and 80's Westwood Village was "The Place To Go" for dining, entertainment, nightlife, and shopping. What happened? As time passed Westwood Village attracted a more unwelcome element of patrons. In 1988, an innocent bystander was shot and killed by rival gang members firing at each other. Patrons abandoned the area in droves. Do we really want The Road attracting such a crowd?

Torrance Circle

Torrance Circle traffic consists of three types (through traffic, visitors to the pier, and delivery trucks). Currently, each type is routed to a different location. Through traffic is routed to the top of the loop and circles around the loop and exits. Looky-loo traffic takes the same route. Visitors to the pier are routed down an entrance road to the underground parking. Delivery trucks are routed to a private entrance into the parking structure on the first level where all the retail businesses are located.

In CenterCal's latest design, it is not clear where delivery trucks would go, but they seem to be intermingled with all the other traffic. All three types of traffic (through traffic, visitors to the pier, and delivery trucks) would take the same route/destination and significantly increase congestion. The current design is much better than the new design.

Summary

I think Joni Mitchell's lyrics from Big Yellow Taxi, 1996, summarize it best.

Don't it always seem to go
That you don't know what you got 'til it's gone
They paved paradise
Put up a parking lot.

I hope the Mayor & City Council address these issues and insist upon a waterfront development that is more in line with the community's expectations.

Thanks,

Roy Sykes
640 The Village #217
Redondo Beach, CA 90277
310-372-2489

Dear Mayor & City council members,

I grew up spending much of my childhood and adulthood visiting the Redondo Beach Pier. I was thrilled that there was a plan to give the pier a much needed facelift. I eagerly participated in many meetings and workshops the developers, Centercal, held. Unfortunately, despite their reassurance of my various concerns which many others also shared, including the Residents of Appropriate Development, I was not heard. Their plan still needs tremendous work.

As someone who traveled to the Redondo Beach Pier for years to bike or walk along its beach and pier, I enjoy the fresh ocean air it provides. Now they plan to have a pedestrian and bike path, just above and overlooking a 2 lane road, bringing traffic congestion and car exhaust to those who actually wanted to enjoy some fresh air. Is that what we want?

Do we need another hotel? There are several hotels already in this location, while Shade hotel is in the process of being built. What is the point of a beachfront hotel when from the beach you would look out into the.... barnacle covered columns that hold up the pier??? Why not revitalize the pier to attract the local residents during the week? Which I suggested several times. Why not build a Trader Joe's or the Apple Store with their sleek glass wall design as anchor stores to the mom & pop fish markets, restaurants, ice cream and coffee shops? What about activities that utilize and capitalize on the fact that this is on the ocean, such as the various water activities and educational activities? A movie theatre does not capitalize on this. Unless it were an outdoor theatre... Which was what I originally thought they were planning when they called it unique, but it is not. You go to the pier to enjoy being outdoors and being close to the ocean, not go to an indoor movie theatre you can find anywhere, and probably fighting less traffic. I am concerned about the overdevelopment, financial feasibility, the noise, air, & visual pollution from the road and the massive above ground parking structure on pier plaza on our beloved pier. Will this plan of overdevelopment result in deserted massive buildings and structures in a few years? Sadly, I find the current deserted buildings of varying heights on pier plaza much more attractive. Where are the financial studies? What were the results of the traffic, air & noise pollution studies? Please do not approve the waterfront development plan set forth by Centercal on July 30. The waterfront definitely needs to be revitalized, but substantial thought is yet to be put into the project. Thank you.

Sincerely,
Maryam Naby
310-991-6569

We want to work with Centercal but it seems that Centercal wants to do their own thing. They keep saying that they are listening to the citizens of Redondo Beach.

A group of us told John Wardy that we did not think a theater was good idea at the beach.

theater failure and others, but John Wardy said that a theater would work, and that was that and walked off. That does not seem like listening to the residents concerns to me.

We also discussed that we felt that their plans were to dense.

We believe that the Centercal plans we saw will obstruct public

views, cause traffic problems and pollute the air that we all breathe.

Redondo Beach has already made some really bad decisions in the

past on the Redondo pier and pier area. i.e Upper pier, The Esplanade and the arch entry way on 190th and P.C.H.

Please lets not made even a bigger mistake this time. Turn down

their plan and tell them to try and comply with the citizens.

Lets keep our community safe and beautiful.

Kathlene & Daren Proctor

140 The Village #105

310-379-9746



Administrative Report

Commission Action Date: August 12, 2013

To: MEMBERS OF THE HARBOR COMMISSION

**From: PETE CARMICHAEL, WATERFRONT & ECONOMIC DEVELOPMENT
DIRECTOR**

Subject: DIRECTOR'S REPORT

RECOMMENDATION

Receive and file a report from the Waterfront & Economic Development Director on current and upcoming waterfront projects and activities.

EXECUTIVE SUMMARY

An oral report will be provided by the Waterfront & Economic Development Director at the Commission meeting on current and upcoming waterfront projects and activities.

BACKGROUND

Periodic reports from Waterfront & Economic Development staff help keep members of the Commission informed of the status of general waterfront operations. The Director's report will provide information on current and upcoming department projects and activities.

COORDINATION

Department staff collaborated on the development of this report.

FISCAL IMPACT

The cost for preparing this report is included within the Waterfront & Economic Development Department's adopted FY2013-14 annual budget and is part of the department's annual work program.

Submitted by:



Pete Carmichael
Waterfront & Economic Development Director

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

HARBOR COMMISSION MEETING REGULAR MEETING August 12, 2013

XI. ITEMS FOR DISCUSSION PRIOR TO ACTION

10. COMMISSION DISCUSSION ON INPUT TO CITY COUNCIL FOR SEMI-ANNUAL STRATEGIC PLAN MEETING

Blue Folder Distribution:

✓ Commissioners	7
Minutes Secretary	1
✓ City Clerk	1
Lobby Agenda Packet	1
Harbor Staff	1
Dept. Copy	1

**MINUTES OF THE
REDONDO BEACH HARBOR COMMISSION MEETING
FEBRUARY 11, 2013**

CALL TO ORDER

A regular meeting of the Harbor Commission was called to order at 6:30 p.m. in the City Council Chambers, 415 Diamond Street, by Chairperson M. Jackson.

ROLL CALL

Commissioners Present: Bloss, Cignarale, D. Jackson, M. Jackson, Shaer
Commissioners Absent: Dalton, Keidser
Officials Present: Peter Carmichael, Waterfront and Economic
Development Director
Aaron Jones, Planning Director
Anita Kroeger, Associate Planner
Margareet Wood, Recording Secretary

SALUTE TO THE FLAG

Commissioner Bloss led the members in the salute to the flag.

APPROVAL OF ORDER OF AGENDA

Motion by Commissioner D. Jackson, seconded by Commissioner Cignarale, to hear agenda item 10, Status Update on Chevron Moonstone Park Equipment Offload and Transport Project, ahead of item 9, Status Update on CenterCal Waterfront Development Public Outreach. Motion carried unanimously.

BLUE FOLDER ITEMS

Director Carmichael submitted tidelands and uplands financial summaries and a 5-year CIP summary as backup material for agenda item 11, Discussion on Input to City Manager for FY 2012/13 Budget.

Motion by Commissioner D. Jackson, seconded by Commissioner Shaer, to receive and file the information submitted by Director Carmichael. Motion carried unanimously.

CONSENT CALENDAR

4. Approval of Affidavit of Posting for the Harbor Commission Meeting of February 11, 2013
5. Approval of the Following Minutes: January 14, 2013
6. City Council Received and Filed the December 18, 2012 Monthly Updates to the Strategic Plan; Vitalize the Waterfront and Artesia Corridor
7. Monthly Statistics from Harbor Patrol

Chairperson M. Jackson excluded item 7.

Commissioner Shaer excluded item 6.

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to approve Consent Calendar items 4 and 5. Motion carried unanimously.

ORAL COMMUNICATIONS

None.

EXCLUDED CONSENT CALENDAR ITEMS

City Council Received and Filed the December 18, 2012 Monthly Updates to the Strategic Plan; Vitalize the Waterfront and Artesia Corridor

Commissioner Shaer said the next strategic planning retreat is scheduled for February 21; therefore the timing of the related discussion item is critical to provide City Council with valuable feedback.

Monthly Statistics from Harbor Patrol

Chairperson M. Jackson explained that the January 13 burglary report involved the theft of a tip jar from Blue Water Grill; and he reported that this type of burglary has occurred up and down Harbor Drive and also in Torrance. He said the addition of a foot patrol would be helpful.

Motion by Commissioner Shaer, seconded by Commissioner D. Jackson, to approve Consent Calendar items 6 and 7. Motion carried unanimously.

PUBLIC PARTICIPATION ON NON AGENDA ITEMS

None.

EX PARTE COMMUNICATIONS

Commissioner Bloss reported that she discussed the project at 212 Yacht Club Way with the applicant some time ago.

Chairperson M. Jackson reported that he also had conversations about the project with the applicant.

PUBLIC HEARING

A Public Hearing to Consider an Initial Environmental Study and Mitigated Negative Declaration (MND), Harbor Commission Design Review and Coastal Development Permit to Allow the Installation of Additional Support Piles to Improve the Safety of an Existing 49-Unit Apartment Building and Reconfiguration of the Dock Below on Property Located Within a Coastal Commercial (CC-4) Zone

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to open the public hearing. Motion carried unanimously.

Associate Planner Kroeger provided the administrative report including a vicinity map, elevations, and photographs. She said the 49-unit apartment building is legal, non-conforming in terms of use and structure and the owners have performed repairs over the years. She said the applicants are concerned over

safety and have requested to construct 16 extra piles under the cantilevered portion of the building; however they have not submitted a report to substantiate the upgrade. She displayed 6 findings included in the Harbor Commission Design criteria and stated that staff is concerned about the fifth finding: *That if the structure containing the nonconforming use is nonconforming with respect to the standards of property development for the zone in which the property is located, including, but not limited to, density, building height, floor area ratio, or provision of off-street parking, the alteration or addition shall not substantially increase the useful life of the nonconforming structure.* She said that staff feels it necessary for the applicant to provide an engineering assessment of whether the project increases the number of years the building will last. She said the determination of the sixth finding: *The alteration or addition is not inconsistent with the General Plan and the certified Local Coastal Program* depends on the fifth finding. She said the structure and project are located partly in the City jurisdiction and partly in the Coastal Commission jurisdiction; and the application process is currently being worked out with the Coastal Commission. She concluded by recommending to postpone the hearing to allow time for the applicant to obtain additional information and for the correct process to be decided with the Coastal Commission.

In response to Commissioner Bloss who inquired about the relationship between useful life and safety issues, Director Jones said the City code allows for the City building official to authorize structural alterations to a non-conforming use when a safety issue exists. He added that no eminent failure has been reported. He said that staff suspects the pilings would not increase the overall life; however an engineering assessment is required to substantiate the finding.

In response to Commissioner Shaer, Director Jones stated that permitted uses in the Coastal Commercial zone are numerous, including hospitality and accommodation. He said that Redondo Beach allows non-conforming uses to continue indefinitely; however staff wants to ensure that the uses are not overly extended.

In response to Commissioner Shaer, Director Jones stated that the City has jurisdiction over the project site; and the process may be streamlined by combining Coastal Commission and City applications and hearings.

Chairperson M. Jackson mentioned the applicant's concern for safety to which Director Jones responded that no safety issues have been substantiated.

Maryann Guthrie, applicant, thanked staff and the Commission for holding the public hearing. She explained that the Apartments at King Harbor are completely safe and she anticipated the building will go beyond the lease date of 2032. She said the motivation for the project came from Les Guthrie, former owner and civil engineer, who designed the building and had concerns about the cantilevered portion of the building in the event of an earthquake. She said Marina Cove is

committed to the \$450,000 project. She said the future of the building will be at the discretion of the City at the end of the lease term in 2032. She said that leases for other non-conforming uses such as Harbor Cove and Portofino have been extended. She questioned whether routine repairs made by Marina Cove such as paint, roofing, and pipe replacement extends the useful life of the building. She did not understand the motivation for continuing the public hearing.

Sean Guthrie, applicant, submitted a letter dated February 11, 2013 from himself to the Harbor Commission.

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to receive and file the letter from Mr. Guthrie. Motion carried unanimously.

Mr. Guthrie said the project addresses catastrophic failure. He said the Marina Cove lease expires in 19 years' and that any engineer will determine the building has a useful life beyond that time; therefore he did not think it necessary to spend more time and money. He said that a precedent has been set by the fact that Crystal Cove was granted a 55-year lease extension and that substantial improvements extended the life of that building. He said he is trying to honor his father's wishes and create a safer building.

In response to Chairperson M. Jackson, Mr. Guthrie said the current issue was first raised by staff over year ago; however it was not raised again until recently. He said the December hearing was postponed due to minor CEQA document revisions, and the January hearing was postponed due to a Coastal Commission issue which has been resolved. He felt the City has what is needed to approve the project. He looked forward to Harbor Commission approval on March 11, after which he said Coastal Commission approval will be sought.

Chairperson M. Jackson did not want to impede the process and declared that the Harbor Commission will do what is required as long as staff and the applicant complete the paperwork.

Mr. Guthrie stated that Marina Cove does not intend to supply additional information and that sufficient information has been submitted to grant approval.

Ms. Guthrie said that it is impossible to obtain an engineering determination different from the previous one that the pilings are safe and will go beyond the lease deadline. She stated that Marina Cove will proceed with the process.

In response to Commissioner Shaer, Mr. Guthrie stated there have been no discussions about lease extensions. He also answered that the estimated cost of the project is \$400,000.

In response to Commissioner Cignarale, Director Jones stated that the Harbor Commission has the authority to make the finding of whether or not the improvement will increase the life of the structure.

In response to Commissioner Cignarale who inquired about the document and language expected, Director Jones responded that a building inspection, current condition assessment, and report from a licensed engineer are required. He expected the report to include an estimate of the remaining life of the building in years, a conclusion that the overall structure will not be affected by the project, and documentation that the installation of the pilings will not further extend the useful life of the building. He mentioned that the City could initiate an inspection and have it certified by an engineer.

Also in response to Commissioner Cignarale, Director Jones confirmed that with the absence of further documentation, the Harbor Commission would be within its rights to deny the project because the facts are not available to make the useful-life finding. He advised that February 25 is the deadline for submitting additional information to be considered for the March 11 meeting.

In response to Commissioner Bloss regarding the reason for not including the CEQA documents or plans in the agenda material, Director Jones advised that staff felt it important to present information on what they are working on and they had no intention of making a recommendation at this meeting.

In response to Commissioner Bloss who inquired about the issue of Crystal Cove raised by the applicant, Director Jones clarified that the work performed on those buildings does not constitute structural alterations and could be performed on the Marina Cove buildings as well; however the installation of pilings does change structural integrity. He said the code allows for habitability and maintenance work on non-conforming buildings, but not structural work.

In response to Commissioner Bloss who inquired about the plan for 2032 when the Marina Cove lease ends, Director Jones said the City, as owner, will have the option to continue the non-conforming use with no structural repairs allowed.

Commissioner Bloss felt that not having the CEQA documents and plans available is a disservice to the process and to the Commission.

In response to Commissioner D. Jackson, Director Jones estimated that an engineering study/physical inspection would cost several thousand dollars and an engineering stamp another several thousand. He anticipated that the information gained will prove useful for other purposes as well.

In response to Commissioner D. Jackson who questioned whether it would be unreasonable to spend the additional amount to gain approval, Mr. Guthrie stated that time is a concern as well as money, and he did not want to waste time on the

process. He said another study will not change the previous engineering findings. He said the building is safe and his project adds assurance.

Commissioner D. Jackson clarified that the applicant is not being asked to provide proof that the building is unsafe, but proof of a baseline of time left on the building and that the project will not substantially add to that time.

Ms. Guthrie said that Marina Cove has submitted an engineering report they are comfortable with that determines the pilings are fine in normal situations, and she did not know how to find an engineer to provide the requested information.

Commissioner Bloss wondered why staff did not submit the CEQA documents and plans and recommend denial if they were uncomfortable with the project, to which Director Jones advised that staff only learned tonight at the meeting that the applicant does not intend to provide the report. He said that staff believes that an engineer can prepare an analysis of the building and provide an estimate of the useful life and extension or lack thereof; and if that information is received by February 25, the item can be scheduled for the March 11 meeting with a staff recommendation for approval. He added that staff would have recommended denial tonight if they knew the information was not forthcoming.

In response to Commissioner Bloss who sought understanding on why the engineering report is necessary with the lease due to expire in 2032, Director Jones said the lease is not a land use document, and the Harbor Commission cannot adjust lease terms. He said the issue of extending the life is a land use discussion.

Mr. Guthrie said that Marina Cove learned of the current requirement a week ago and have spent the ensuing time analyzing what action to take. He said they are prepared for staff denial, which would leave the option to appeal to City Council where the lease issue may be addressed. He said the decision to take this position was made just a few hours ago.

In response to Commissioner Shaer, Mr. Guthrie stated that the building was built in 1970-71. He declined to answer whether he has debt on the property.

In response to Commissioner Cignarale, Director Jones confirmed that staff will provide a full packet of information and recommendation for the March 11 meeting regardless of whether the applicant provides the requested information by February 25.

Chairperson M. Jackson expressed frustration, explaining that it seems to him as though staff is being an obstacle to the interest of safety and the term *useful life* is being used as a barrier.

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to extend the Public Hearing to the March 11, 2013 Harbor Commission meeting. Motion carried unanimously.

Chairperson M. Jackson recessed the meeting at 7:44 p.m.

Chairperson M. Jackson reconvened the meeting at 7:49 p.m.

Commissioners Present: Bloss, Cignarale; D. Jackson, M. Jackson, Shaer
Commissioners Absent: Dalton, Keidser

ITEMS FOR DISCUSSION PRIOR TO ACTION

Status Update on Chevron Moonstone Park (Mole B) Equipment Offload and Transport Project

Director Carmichael introduced Jeff Wilson from Chevron to provide an update. Highlights from Mr. Wilson's update include:

- The idea for the project originated a year ago. The project is important for the Chevron refinery: Chevron supplies lots of motor and plane fuels. City staff, including police and fire personnel, have been critically involved. Pictures of the drum and transporting trailer were displayed and dimensions given.
- The 6 drums left the manufacturing facility at the end of the year via ocean barge. The first 2 drums will arrive in King Harbor on February 18 and will be transported to El Segundo at night. Pictures of the staging area, barge configuration, and transport vehicles were shown.
- Project public outreach includes: briefing for city councils, harbor stakeholders, businesses, and civic organizations; over 18,000 direct mailers to residents; over 2,000 direct mailers to PCH/Sepulveda businesses; direct engagement via street teams for businesses on route; newspaper ads beginning week of February 4; project website with fact sheets; traffic planning documents and current information on the movement of the drums; hotline.
- Schedule: February 4 – fence erected at Mole B and SCE staging area, February 18 – barge arrives in King Harbor and first 2 drums offloaded at Mole B and transferred to staging area, February 20 – drums transferred from staging area to refinery, process to be repeated for remaining 4 drums.

In response to Commissioner D. Jackson, Mr. Wilson said the drums will travel 2 miles per hour; therefore opportunities for viewing will be numerous. He suggested sidewalks across from the staging areas and open spaces down Harbor Drive. He said that access on Mole B will be restricted.

In response to Commissioner Bloss, Mr. Wilson said the weather forecast looks favorable and the operation will be postponed until the following week if inclement weather is predicted. He said that Chevron is aware of spring break dates and the busy summer season; and he mentioned the agreement with the City to complete the project by mid-May.

In response to Commissioner Shaer, Mr. Wilson stated that the longer travel time allotted for the Hermosa Beach corridor is due to more signals and overhead lines.

In response to Commissioner D. Jackson, Mr. Wilson said that problems are not anticipated on the hills north of Artesia Boulevard. He said the grades have been reviewed and the transport vehicle horsepower and braking have been studied.

Chairperson M. Jackson commended the outreach and preparation efforts.

Motion by Commissioner Shaer, seconded by Commissioner D. Jackson, to receive and file the report. Motion carried unanimously.

Status Update on CenterCal Waterfront Development Public Outreach

Director Carmichael explained that 4 public meetings have been conducted from November 2012 through February 2013. He said the first couple of meetings were mainly listening sessions, with specific uses and locations discussed subsequently. He said a more refined site plan will be presented at the upcoming meeting on February 23, and recommendations will be presented to City Council on March 12. He said that following the EIR in June, the development will come to the Harbor Commission for full entitlements.

Chairperson M. Jackson cautioned the members to refrain from discussing their specific visions at this time.

In response to Commissioner Bloss regarding economic feasibility and viability, Director Carmichael stated that CenterCal will conduct an economic analysis with the help of a market analysis consultant. He said the City revenue sources will be impacted and the City will also conduct an analysis with the help of a consultant. He said the review is already underway and he anticipated that a spreadsheet for uses and revenue will be shared with City Council when negotiating lease terms.

In response to Commissioner D. Jackson regarding potential conflicts between the financial analysis and public input, Director Carmichael said that thus far the two are in alignment; however a compromise will be necessary if that situation changes. He also answered that renderings from the past meetings are not on display; however will be available at subsequent public meetings.

In response to Commissioner Shaer, Director Carmichael said the Council will receive a preliminary design on March 12. He said the meeting is open to the public.

In response to Chairperson M. Jackson, Director Carmichael confirmed that the process is progressing in a timely manner. He added that CenterCal is located in the South Bay and they understand the needs of the community.

Commissioner Bloss complimented CenterCal for listening to citizens and she was pleased with their support for renaming Torrance Boulevard.

Mark Hansen, King Harbor Voters Advisory Panel, recalled Commissioner Dalton's concerns regarding the boat ramp funding and location; and he assured that CenterCal is listening to the public and addressing the boat ramp project at the public meetings.

Mr. Hansen requested to reopen the minutes and provide 3 corrections.

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to receive and file the Status Update on CenterCal Waterfront Development Public Outreach. Motion carried unanimously.

Discussion on Input to City Manager for FY 2013/14 Budget

Director Carmichael clarified that the agenda title is incorrect and should read *FY 2013/14 Budget* rather than *FY 2012/13 Budget*. He said the topic has been agendized in preparation for the City Manager visit at the next regular meeting.

Commissioner Bloss expected the City Manager to attend the February meeting, and she felt that an opportunity will be missed because the Strategic Plan workshop is scheduled for February 21. She said the budget and strategic plan are integrated.

Commissioner Shaer stressed the importance of being prepared and providing constructive feedback to the City Manager.

Mr. Hansen recommended making concrete budget recommendations to the City Manager. He recalled comments from the last meeting regarding increases to the boat ramp and Mole B project funding and recommended providing language and clarity to the City Manager. He supported funding for Harbor Commission meeting streaming video and encouraged following up with the City Manager regarding possible State funding. He spoke in favor of City support for the sea fair and boat parade event costs and requested the members to follow up.

Motion by Chairperson M. Jackson, seconded by Commissioner Shaer, to extend Mr. Hansen's speaking time. Motion carried unanimously.

Mr. Hansen also requested follow-up on the status and possible repayment method of the \$7.9 million City RDA debt to tidelands and uplands, and also on the amount of internal service funds charged to the harbor.

In response to Commissioner Bloss, Director Carmichael answered that the criteria for strategic plan inclusion is somewhat subjective; however City Council focuses on mission-driven objectives. He said that day-to-day operational items

or items already in progress are not included. He added that the Maison Riz replacement was a current topic just prior to the last workshop.

In response to Chairperson M. Jackson regarding the best way to proceed with strategic plan recommendations, Director Carmichael stated that comments relative to the goal *To Vitalize the Waterfront and Artesia Corridor* are especially sought from the members. He said that large CIP items are appropriate for the City Manager discussion next month.

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to receive and file the Discussion on Input to City Manager FY 2013-14 Budget. Motion carried unanimously.

Discussion on Input to City Strategic Plan

Chairperson M. Jackson advised this is the opportunity to recommend items to include in a letter to Council for the strategic plan workshop on February 21.

In response to Commissioner D. Jackson regarding the Torrance Boulevard renaming, Director Carmichael said the target date was set at the last workshop; and that incomplete items will be reviewed and considered for retention or removal.

Commissioner D. Jackson recommended including in the letter to Council a request to retain the Torrance Boulevard renaming in the strategic plan and communicate that the Harbor Commission views the renaming of Torrance Boulevard as an important component of waterfront development.

Commissioner Bloss advised that she recently spoke with Public Works Director Witzansky who said the renaming project was moving forward and he hoped to have costs and other issues available for the February 19 Council meeting. She agreed that support for the project should be conveyed in the letter to Council.

In response to Commissioner Shaer, Director Carmichael stated that item 2 of the *Vitalize the Waterfront and Artesia Corridor* goal is a general status update on the Harbor Business Plan.

Commissioner Shaer recommended a review of waterfront finances and consideration of setting aside reserves for uplands and tidelands over the next 3-5 years, especially in light of the waterfront redevelopment.

Commissioner D. Jackson suggested an item for infrastructure improvements i.e. showers, dingy dock, to support the transient vessel moorings.

Commissioner Shaer said that it seems like the bigger projects must appear on the strategic plan prior to becoming budget items. He mentioned the importance

of signature events the City is known for such as the sea fair, boat parade, and July 4 celebration and he encouraged thinking about new ones.

Commissioner Bloss said that signature events make the City special and she recommended researching new events as well as revitalizing some existing ones.

Commissioner Bloss suggested the boat parade as a signature event.

Commissioner Shaer mentioned concerts on the pier.

Commissioner D. Jackson mentioned the movies in Veterans Park.

Commissioner Shaer planned to develop a conceptual list of signature events to include in the letter to Council.

Mr. Guthrie said that new projects are discussed at the strategic plan session prior to appearing in the budget. He urged members to recommend adding the marina walkway project to the list of projects for Council review. He recommended that a Harbor Commissioner attend the strategic plan workshop and report back.

Mr. Hansen recommended working with Director Carmichael to update Mole B and boat ramp goals for the next 6 months. He suggested listing the bike path project under the *Vitalize the Waterfront and Artesia Corridor* goal and he recommended updating that goal for the next 6 months. He said that signature events are those that are unique to Redondo Beach such as the boat parade and sea fair, and he recommended the addition of City support for those events, in particular, waiving the banner application fees.

Commissioner D. Jackson requested to add to the letter to Council a recommendation to look at the marina railings and walkways.

Commissioner Bloss said the issue of the AES property relative to harbor development must be addressed. She spoke in favor of a recommendation for a discussion of what will happen with the AES property after the election occurs, regardless of the outcome.

Commissioner D. Jackson agreed that the AES property should be included on the strategic plan.

Chairperson M. Jackson said the AES property is above the Harbor Commission jurisdiction at this point and that placing it on the strategic plan is a matter of time.

Commissioner Shaer said the AES property is an important topic; however he preferred to wait until after the election before making a recommendation.

Commissioner D. Jackson clarified that she is not recommending a particular course of action; however the AES property should be a strategic plan topic.

Commissioner Cignarale recommended the following item for the strategic plan: Conduct an analysis of how the AES property could best fit into the harbor revitalization based upon the outcome of the election and Measure A.

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to include Commissioner Cignarale's recommendation on the AES property in the letter to Council. Motion carried unanimously.

Chairperson M. Jackson summarized the recommendations for strategic plan items: Torrance Boulevard, budget/reserves, mooring project, signature events, AES property future use, and harbor railings/walkways.

Commissioner Bloss stated that the boat ramp is being addressed as part of the harbor development.

Commissioner D. Jackson agreed that it is understood that the boat ramp is part of the CenterCal development.

Motion by Commissioner Cignarale, seconded by Commissioner D. Jackson, that Chairperson M. Jackson write a letter to City Council prior to the February 21 strategic plan meeting and include input that was approved and received at this meeting. Motion carried unanimously.

Chairperson M. Jackson requested the members to email their input to him by February 15.

Director Carmichael requested Chairperson M. Jackson to send the letter directly to the Mayor and Council and copy the City Manager and himself. He said he will bring copies of the letter to the members at the next meeting. He added that the letter may be distributed among the members as long as it is not discussed.

Director's Report

Director Carmichael reported the following:

Capital improvement:

- Transient vessel moorings – additional information submitted to Coastal Commission last week, awaiting review/approval
- Breakwater and rock removal – will move forward in next 2 weeks on report and evaluation from consultant
- Octagonal building – recent winds tore siding off, inspection revealed major structural damage and imminent danger, building demolished February 7-8,

debris to be removed in next 7-10 days, removal of building related to engineering study and not to CenterCal activities

- Pier piling repair – recent inspection revealed necessary work involving pilings, cross bracings, and other repair
- Mole B – bids out for construction drawings, contract award in March
- Herondo/Harbor Drive gateway project - next public meeting on February 13, joint Harbor/Planning Commission meeting on February 21 to evaluate plan and advise Council
- Shade Hotel – demolition permit granted by end of week, demolition to begin shortly thereafter

In response to Commissioner Bloss, Director Carmichael said the Shade Hotel agreement requires demolition to begin by February 1. He said Shade may extend the construction start date by paying a penalty. He said they are showing good faith and have created plans and spent a lot of money on asbestos removal. He said that City approval of financing is necessary by March 1 for construction to begin on April 1.

In response to Commissioner Shaer, Director Carmichael said that Shade has the opportunity to extend the financing approval date from March 1 to June 1.

In response to Commissioner D. Jackson, Director Carmichael said the City has not yet received a financing package from Shade.

Chairperson M. Jackson referred members of the public to Director Carmichael regarding comments on the minutes.

Mr. Guthrie strongly recommended that the Harbor Commission members attend the February 13 Harbor Drive/Herondo Gateway project meeting to hear safety concerns from the stakeholders.

In response to Chairperson M. Jackson, Director Carmichael stated that participation in the February 21 joint commission meeting is advisory in nature; therefore the entire Harbor Commission may attend the related upcoming Harbor Drive/Herondo Gateway public meeting.

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to receive and file the Director's Report. Motion carried unanimously.

ITEMS CONTINUED FROM PREVIOUS AGENDAS

None.

MEMBERS ITEMS AND REFERRALS TO STAFF

Commissioner Shaer said this section of the agenda is an opportunity for interacting with the agenda by allowing members to provide feedback on discussion topics and future agenda items.

Chairperson M. Jackson explained that he and Commissioner Shaer meet with staff each month to set the agenda; and he will make sure to agendize items submitted by the members.

Commissioner Shaer said the next agenda-setting meeting is scheduled for February 28.

Chairperson M. Jackson said the current agenda was modified with the intention of expanding the discussion items and shortening the Consent Calendar and Director's Report.

Chairperson M. Jackson adjourned the meeting at 9:44 p.m.

Respectfully submitted,

Peter Carmichael
Waterfront and Economic
Development Director

**MINUTES OF THE
REDONDO BEACH HARBOR COMMISSION MEETING
AUGUST 13, 2012**

CALL TO ORDER

A regular meeting of the Harbor Commission was called to order at 6:30 p.m. in the City Council Chambers, 415 Diamond Street, by Chairperson M. Jackson.

ROLL CALL

Commissioners Present: Bloss, Cignarale, D. Jackson, M. Jackson, Shaer
Commissioners Absent: Munns
Officials Present: Pete Carmichael, Harbor Director
John Picken, Harbor Patrol Sergeant
Margareet Wood, Recording Secretary

SALUTE TO THE FLAG

The members joined in the salute to the flag.

APPROVAL OF ORDER OF AGENDA

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to move the Harbor Patrol update ahead of the Consent Calendar. Motion carried unanimously.

Harbor Patrol Update

Sergeant Picken reported the July incidents totaling 274, for a year-to-date total of 1,225.

Significant events reported:

- July 4 - fireworks display went well, 2 boats in service
- July 13 - vessel sank due to plugged bait tank
- August 24 – newly constructed Harbor Patrol office open house

In response to Commissioner D. Jackson, Sergeant Picken advised that the sea life assist calls included the rescue of a pelican entangled in sea line and assistance to a sea lion.

CONSENT CALENDAR

4. Approval of Affidavit of Posting for the Harbor Commission Meeting of August 13, 2012
5. Approval of the Following Minutes: July 9, 2012
6. City Council Received and Filed the July 17 Monthly Updates to the Strategic Plan, Water Quality Implementation Matrix, Green Task Force Matrix and Major City Facilities Priority List
7. Discussion and Possible Action on Selection of Qualified Respondents to Proceed to Next Step of Waterfront Developer Selection Process

8. Modification to Waterfront Developer Selection Timeline
9. Contract for Consulting Services Between the City of Redondo Beach and Kosmont & Associates, Inc.
10. Consent to Contract with Third Parties Agreement Between the City of Redondo Beach and Landmark Acquisition Company
11. Lease Between the City of Redondo Beach and RW Smith & Associates for the Property at 107 W. Torrance Boulevard, Suite 202

Commissioner D. Jackson excluded items 7 and 11.

Commissioner Bloss excluded items 6 and 8.

Commissioner Shaer excluded item 9.

ORAL COMMUNICATIONS

None.

Motion by Chairperson M. Jackson, seconded by Commissioner D. Jackson, to approve items 4, 5, and 10. Motion carried unanimously.

City Council Received and Filed the July 17 Monthly Updates to the Strategic Plan, Water Quality Implementation Matrix, Green Task Force Matrix, and Major City Facilities Priority List

In response to Commissioner Bloss, Director Carmichael said the strategic plan is updated at the second Council meeting of each month and he did not know why the document was not current. He offered to verbally update the harbor-related items; however he could not speak to the others.

In response to Commissioner Bloss regarding the license agreement for the temporary use of Mole B by Chevron Corporation, Director Carmichael anticipated the agreement will be submitted to Council for approval by mid-September.

In response to Commissioner Bloss, Director Carmichael stated that the policy regarding the use of food trucks during special events and TUP activities is overseen by the Planning Department; therefore he did not have an update.

In response to Commissioner D. Jackson, Director Carmichael confirmed that the next strategic planning session the morning of September 13 is open to the public. He said presentations from the five developers under consideration for the pier revitalization are scheduled for a separate meeting on the same afternoon. He said that he will provide additional details on the times.

In response to Chairperson M. Jackson regarding the Water Quality Task Force recommendation to improve harbor circulation, Director Carmichael advised that

staff consulted professionals about installing circulation piping and found that the benefits would not justify the cost.

Commissioner Bloss withdrew her request to exclude item 8.

Discussion and Possible Action on Selection of Qualified Respondents to Proceed to Next Step of Waterfront Developer Selection Process

In response to Commissioner D. Jackson, Director Carmichael said that he will email the RFV package referenced in the report to the Commissioners.

In response to Chairperson M. Jackson, Director Carmichael said that meetings have been held with three of the selected developers; and the other two meetings will be held in the next two weeks.

In response to Chairperson M. Jackson regarding the weakness relative to the evaluation criteria of the Forest City Enterprises, Director Carmichael said the company also owns the Galleria; therefore the City would be reliant on a single company for a large portion of sales tax revenue.

In response to Commissioner Shaer regarding the Harbor Commission's role in the process, Director Carmichael outlined the sequence of events: developer presentations September 5; submission of financial terms at the end of October; City makes selection; developer works on conceptual design details; more specific set of deal terms is developed; CEQA process kickoff March-April 2013; and presentation to Harbor Commission for issuance of entitlements in Spring of 2013. He said the Harbor Commission decision can be appealed to City Council and the Coastal Commission. Prior to issuance of entitlements, he said the Harbor Commissioners may participate in public forums.

Contract for Consulting Services Between the City of Redondo Beach and Kosmont & Associates, Inc.

In response to Commissioner Shaer, Director Carmichael stated that he will email the Kosmont contract to the Commissioners.

In response to Commissioner Shaer regarding developer fees, Director Carmichael stated that of the \$50,000 fee \$25,000 is due and non-refundable at the end of 2012, and \$25,000 will be due on delivery of items in 2013. He said the first \$25,000 would be forfeited if the developer were to quit.

In response to Chairperson M. Jackson, Director Carmichael stated that Kosmont is an advisor and will play a critical role in the evaluation of the RFV's. He did not believe that Kosmont has directly worked with any of the selected developers.

In response to Commissioner Shaer, Director Carmichael said the EIR will be outsourced to a consultant and that process will be funded by the developer.

Lease Between the City of Redondo Beach and RW Smith & Associates for the Property at 107 W. Torrance Boulevard, Suite 202

In response to Commissioner D. Jackson, Director Carmichael said the City, as landlord, is responsible for tenant improvements; however he did not have the total cost amount.

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to approve the excluded consent calendar items. Motion carried unanimously.

PUBLIC PARTICIPATION ON NON AGENDA ITEMS

Mark Hansen, representing the King Harbor Voters Advisory Panel, reported that Governor Brown signed a bill to retain the Department of Boating and Waterways Commission. He felt that preserving the entire Department of Boating and Waterways is preferable and that more legislation and funding are necessary. He suggested agendizing the topic occasionally in order to take action by making recommendations to City Council.

Denise Curtis, resident, supported all efforts to produce green power.

ITEMS FOR DISCUSSION PRIOR TO ACTION

Director's Report

Director Carmichael reported the following:

Capital Projects:

- Pier revitalization – 90% complete: hardscape work complete, furnishings in next week, lights operating by middle of next week, grand reopening August 25
- Harbor Patrol facility – building complete, interior decorating in progress, temporary finish will be installed on driveway - will be resurfaced with Mole B master plan, ribbon cutting on August 24 (details forthcoming)
- Parking – new digital meter payment technology: meter installation complete by the end of October, new gates will be installed, ambassador program will be implemented
- Galveston Wall repair – project complete: replaced outer skin on 500 westerly feet, more concrete removal than anticipated
- Basin 2 Seawall repair - will begin in September
- Asset Management plan – City Council selected five developers, presentations in September, final selection in late October
- Sand renourishment – project underway: dredging at mouth of Marina del Rey, sand deposit in pit offshore Topaz jetty and on beach north of Topaz jetty, 24-hour operation between now and the end of September, notices have been mailed, information hotline established
- Elimination of Redevelopment Agency – \$6-7 million loan from the mid 1980's between the Harbor Enterprise used for acquisition of property that became Crowne Plaza: decision on appeal regarding status of repayment will be known by the end of September

Events:

August 12 – Avenue of the Arts and Crafts Art Walk was well-attended

August 24 – Harbor Patrol facility ribbon cutting

August 18 - Chalk Art festival

August 25 - Pier grand reopening

Thursdays through August – Summer concert series

In response to Commissioner D. Jackson, Director Carmichael reported that the lessee is in negotiations with one or two parties for the sublease on the former Kilkenny's space.

In response to Commissioner Shaer, Director Carmichael provided the timetable for the August 25 pier reopening: event begins at noon, beer garden opens at 2:00 p.m., Mayor's comments at 5:00 p.m., band begins at 6:00 p.m.

In response to Commissioner Shaer, Director Carmichael stated that the harbor developer submittals are referred to as RFVs rather than RFPs because a vision is being sought at this time rather than a specific proposal.

In response to Commissioner Shaer regarding the RDA loan, Director Carmichael said the loan amounting to \$160,000 annually was being paid to the Tidelands fund through tax increments collected from the Crowne Plaza site. He explained that the State Department of Finance declared the loan null and void because it was not made within two years of initiation of the redevelopment area.

In response to Commissioner Shaer's request for an update on the Chevron project, Director Carmichael said the project will begin in the first quarter of 2013 and will last 90 days.

In response to Commissioner Shaer, Director Carmichael anticipated that the Mole B plans and specs will be ready to move forward as soon as the Chevron project is complete. He verified the approved plan has not been altered.

In response to Chairperson M. Jackson, Director Carmichael stated that if the Redevelopment Agency loan is not repaid to the Tidelands Fund, the money will go to the State as regular tax receipts.

In response to Chairperson M. Jackson, Director Carmichael referred him to the August 21 City Council report for details on the financial negotiations with Chevron on the upcoming project.

In response to Chairperson M. Jackson regarding the Shade Hotel negotiations, Director Carmichael reported that the company is in the process of completing value engineering; and he anticipated that the amended CUP will be presented to the Harbor Commission in the next 60 days.

In response to Commissioner D. Jackson, Director Carmichael confirmed that the Redevelopment Agency loan to the Harbor Tidelands fund will be cleared off as a bad debt write-off.

Mr. Hansen believed that the Redevelopment Agency loan situation is not well understood by City Council. He said the debt totals \$7.9 million and is owed by the City's Redevelopment Agency to the Tidelands and Uplands funds. He said that permission from the State was granted to take the money from Tidelands. He said the mechanism for loan repayment has been lost; however the debt remains. He said that many interested parties want to see the issue resolved, and he encouraged the Harbor Commission to become informed and submit a recommendation to City Council.

Director Carmichael stated that the topic will be agendized when more information becomes available. He said the City has filed an appeal to the Department of Finance.

Commissioner Shaer requested to agendize the topic for discussion at the September Harbor Commission meeting in order to better understand the dynamics of who owes whom.

Review of Council Approved 2012-13 Harbor Enterprise Budget

Director Carmichael reported a revenue increase and also that the City approved a \$100 million budget. He explained that the 2012-13 FY Harbor Enterprise budget totaling \$9.3 million is separate from the general fund and consists of Tidelands and Uplands revenues and expenses. He said the Tidelands and Uplands budgets are balanced this year. He said that revenues are relatively flat and include ground rent and parking revenues. He said the elimination of the RDA loan decreases revenue. He said that expenses will decrease with the new parking system and the elimination of Aamco. He expected additional savings through improvements in maintenance and operations. He listed upcoming projects: parking structure repair, breakwall maintenance, and the next phase of Seaside Lagoon improvements.

In response to Commissioner Shaer who referred to the Tidelands financial summary noting the beginning balance of \$9.6 million, the addition of \$1.2 million for CIP improvements, and the \$4 million in reserve, Director Carmichael confirmed that a net excess is reflected. He said the reserve amounts do not reflect savings from the loss of Aamco and revenue from tickets. He confirmed the minimum reserve is based on a formula established in the Business Plan and the current amount is on target to meet the minimum.

In response to Chairperson M. Jackson, Director Carmichael explained the parking structure expense appropriation totals \$1.2 million and includes fire main repair and ongoing repair. He said the investment is necessary to maintain safety; and that a major renovation or rebuild is eminent.

In response to Commissioner Bloss who asked about a study of the parking structure, Director Carmichael explained that a report classified the plaza structure in good condition and the two pier structures not in good condition with 5-10 years remaining. He said the report will be finalized in the next 30 days. He also said the parking structure is a major piece of the revitalization vision.

Commissioners Draft Suggestions for the City Council's Upcoming Strategic Planning Meeting

Director Carmichael advised the item is an opportunity for open discussion.

Commissioner Bloss appreciated the entry for renaming Torrance Boulevard; however she preferred to have a target date assigned. She said she had hoped the renaming would coincide with the pier reopening; and she inquired about the plan for integrating the renaming into the revitalization.

Director Carmichael advised that strategic plan entries are prioritized by City Council. He stated that cost and phasing studies are underway for the Artesia Boulevard renaming.

Commissioner Bloss requested support from the Commission to have a date assigned to the Torrance Boulevard renaming.

Commissioner D. Jackson requested to include the Boating Access subcommittee recommendation to appropriate funds for a professional survey of boater access and safety in the harbor.

Commissioner Cignarale said the strategic plan items are missing comments and include target dates that have past. He said the document provides no value in terms of looking at various issues and should be updated. He recommended efforts by City Council and the City, as well as any other responsible parties, to keep the documents up-to-date.

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to recommend three items for the strategic plan: specific dates for the Torrance Boulevard renaming, request for funding for an outside survey of boater access and safety in the harbor, and encourage City Council to keep the monthly strategic plan updated with dates and comments. Motion carried unanimously.

Mr. Hansen said he is working on a harbor contact list for the boater access and safety survey. He said that stand-up paddleboard safety is a current issue that is being addressed. He suggested including in the motion a recommendation to include lines for Mole B and the boat ramp in the strategic plan.

Motion by Commissioner D. Jackson, seconded by Commissioner Bloss, to amend the previous motion to include lines for Mole B and the boat ramp in the strategic plan. Motion carried unanimously.

Chairperson M. Jackson planned to write a letter to City Council reiterating the recommendations for the strategic plan.

ITEMS CONTINUED FROM PREVIOUS AGENDAS

None.

MEMBERS ITEMS AND REFERRALS TO STAFF

Commissioner Shaer requested to agendize an RDA discussion for the September agenda.

Commissioner Bloss supported agendizing the topic; however she suggested waiting until October when the appeal will be finalized and the two new Harbor Commissioners will be present.

Commissioner Shaer said the appeal could be postponed. He said he is not asking for an update on negotiations, but would like to understand the outline of existing RDA debt to the fund, how it is being paid, and who benefits from it.

Director Carmichael said that a 2009 audit documents the loan details and he will forward the subsequent staff report to the Commissioners.

Commissioner Shaer said the loan status is important especially in light of the fact that it is twice the amount of the current harbor reserves.

Chairperson M. Jackson suggested inviting Larry Kosmont to the September meeting to hear what other cities are doing regarding the RDA status.

Motion by Commissioner Shaer, seconded by Commissioner D. Jackson, to agendize the RDA topic pertaining to the harbor fund debt for the September meeting in the context of providing education and information.

The motion carried by the following vote:

Commissioner Bloss – No

Commissioner Cignarale - Aye

Commissioner D. Jackson – Aye

Commissioner M. Jackson – Aye

Commissioner Shaer – Aye

Motion by Commissioner Bloss, seconded by Commissioner D. Jackson, to adjourn the meeting. Motion carried unanimously.

Chairperson M. Jackson adjourned the meeting at 8:10 p.m.

Respectfully submitted,

Peter Carmichael, Harbor Director