

**CALIFORNIA COASTAL COMMISSION**

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 Staff Report: 11/21/07  
 Hearing Date: 12/12-14/07  
 Commission Action:

**W16a.****STAFF REPORT: MATERIAL AMENDMENT****APPLICATION NUMBER:** 5-07-343A1**APPLICANT:** Macerich Property Management Company**PROJECT LOCATION:** Santa Monica Place (Bounded by Broadway on the north, Fourth Street on the east, Colorado Avenue on the south, and Second Street on the west), Santa Monica**DESCRIPTION OF PROJECT PREVIOUSLY APPROVED:** Demolish all existing structures, vacate street, and construct 1,560,000 square foot enclosed mall, commercial and retail center with approximately 2,220 parking spaces onsite and a minimum of 278 offsite employee parking spaces.**DESCRIPTION OF PROPOSED AMENDMENT:** Remodel and redesign an indoor 558, 556 gross leasable square foot shopping mall into an outdoor shopping venue. Redesign will reduce the gross leasable square footage by 10,234 square feet; include approximately 5,700 square feet of open public space; approximately 8,000 square feet of enclosed food court; streetscape improvements; elevator and stair upgrades to Parking Structures No. 7 and 8; and result in the loss of 63 parking spaces within Parking Structure No. 7.

Lot Area:	7.3 acres
Building Coverage:	- 90,756 square feet
Parking Spaces:	2,197 spaces
Zoning:	C3-Downtown Commercial
Ht above final grade:	56 feet

**SUMMARY OF STAFF RECOMMENDATION:**

Staff recommends approval with special conditions on the basis that the project, as conditioned, conforms with the public access and resource protection policies of the Coastal Act. Special Conditions include modifying special condition 2a of the original permit which required a 10,000 square foot open deck on the second and third levels to a 5,700 square foot open public deck on the third floor; and addition of the following conditions: 1) Future changes, 2) Landscape Plan to prohibit non-native invasive plants and use of drought tolerant plants; and 3) Conformance with City's water quality standards.

**Staff Note:** The original underlying permit is A-69-76. The letter “A” preceding the numbers denotes that the Regional Commission’s decision was appealed to the State Commission. Since the time of approval of the original permit the Commission’s permit numbering system has changed, therefore, subsequent amendments to permits with the older numbering system are given a new permit number followed by the letter “A”.

**Procedural Note:** The Commission’s regulations provide for referral of permit amendment requests to the Commission if:

- 1) The Executive Director determines that the proposed amendment is a material change,
- 2) Objection is made to the Executive Director’s determination of immateriality, or,
- 3) the proposed amendment affects conditions required for the purpose of protecting a coastal resource or coastal access.

In this case, the Executive Director has determined that the proposed amendment is a material change to the project as originally described. If the applicant or objector so requests, the Commission shall make an independent determination as to whether the proposed amendment is material. 14 Cal. Admin. Code 13166.

**STAFF RECOMMENDATION:**

- I. Staff recommends that the Commission make the following motion and adopt the following resolution:

**MOTION:** *I move that the Commission approve Coastal Development Permit #5-07-343-A1 pursuant to the staff recommendation.*

**STAFF RECOMMENDATION OF APPROVAL:**

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

**RESOLUTION TO APPROVE THE PERMIT:**

The Commission hereby approves a coastal development permit amendment for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the provisions of Chapter 3 of the California Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures

and/ or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternative that would substantially lessen any significant adverse impacts of the development on the environment.

**LOCAL APPROVALS RECEIVED:** Administrative Approval (9/26/07); Redevelopment Agency Approval 07-AA-005 (9/26/07)

**SUBSTANTIVE FILE DOCUMENTS:** Santa Monica certified Land Use Plan, certified in 1992; CDP No. 5-04-291, 5-88-062, 5-84-866, 5-81-554, 5-94-172, A-253-80, and A-69-76.

## II. STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date this permit is reported to the Commission. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

## III. SPECIAL CONDITIONS

**Note:** Unless specifically altered by this amendment, all conditions (see Exhibit No. 1) imposed on the previously approved permit shall remain in effect.

**Modify Special Condition 2a of the original permit, as follows (deletions are shown as strike-through and additions are shown as underlined):**

a. A minimum of ~~10,000~~ 5,700 sq. ft. of open public deck space with an ocean orientation on the ~~second and third~~ levels of the mall. All leasable areas abutting this deck shall have direct access to the open area, to the maximum extent feasible, and where consistent with State and/or City standards. At least 5,000 sq. ft. of this commercial area shall be public use facilities such as bars and restaurants.

### **Special Conditions added by Amendment:**

#### **1. Future Changes**

Any future change in the design of the shopping center, including the mix of uses and open space areas, shall be reported to the Executive Director to determine if an amendment to this permit will be required.

#### **2. Landscape Plan**

**A.** Prior to issuance of the coastal development permit, the applicant shall submit, for review and approval of the Executive Director, a landscaping plan. The plan shall be prepared by a licensed landscape architect. To minimize the need for irrigation and minimize encroachment of non-native plant species into adjacent areas, all landscaping shall consist of native and/or drought tolerant non-invasive plant species. No plant species listed as problematic and/or invasive by the California Native Plant Society, the California Invasive Plant Council (formerly known as the California Exotic Pest Plant Council), or as may be identified from time to time by the State of California shall be utilized on the property. No plant species listed as a 'noxious weed' by the State of California or the U.S. Federal Government shall be utilized within the property. All plants employed on the site shall be drought tolerant (low water use) plants identified by U.C. Davis and the Water Resources Board. Ornamental planting with non-indigenous and non-invasive plant species is permitted within the garden areas.

**B.** The permittee shall undertake development in accordance with the final plans approved by the Executive Director pursuant to this condition. Any proposed changes to the approved plans shall be reported to the Executive Director in order to determine if the proposed change shall require a permit amendment pursuant to the requirements of the Coastal Act and the California Code of Regulations.

#### **3. Water Quality Standards**

With the acceptance of this permit the applicant agrees to comply with all applicable City of Santa Monica water quality requirements as required under the City's Municipal Code that are in effect at the time of approval of this permit.

### **IV. FINDINGS AND DECLARATIONS:**

The Commission hereby finds and declares:

## **A. Project Description and Location**

The applicant proposes to remodel and redesign an indoor 558,556 gross leasable square foot shopping mall (Santa Monica Place) into an outdoor shopping venue. The redesign will reduce the gross leasable square footage by 10,234 square feet; include approximately 5,700 square feet of open public space; approximately 8,000 square feet of enclosed food court with approximately 7,000 square feet of food court leasable space; streetscape improvements; and elevator and stair upgrades to Parking Structures No. 7 and 8. The redesign requires a portion of the adjoining Parking Structure No. 7, on levels four, five and six that overhangs the portion of the mall to be converted to a central open-air plaza to be demolished, resulting in the loss of 63 (49 net) parking spaces.

Santa Monica Place has approximately 677,000 square feet of developed space used for retail, community room, management and security offices, and circulation purposes. Of this area, 558,556 square feet is gross leasable area. In addition, two six-level parking structures (No 7 and 8) are located in the north and south portions of the site providing a total of 1,968 on-site public parking spaces for shoppers and the general public. The mall has an additional 278 off-site parking spaces within the City's Downtown Parking District<sup>1</sup>. The proposed project will retain the two anchor department store buildings and the two parking structures, and maintain the existing permitted building height of 56 feet.

The project site is bounded by Broadway on the north, Fourth Street on the east, Colorado Avenue on the south, and Second Street on the west. The surrounding area is developed with retail and commercial uses, including the Third Street Promenade which is an outdoor commercial and mixed-use area.

The project is located in the City's Downtown Commercial District. The site and surrounding area is zoned C3-Downtown Commercial, which allows general retail, office, residential, hotel, and visitor-serving uses.

## **B. Public Views**

The following policies of the Coastal Act and the certified LUP are applicable to the issue of public views. Section 30251 of the Coastal Act states:

*The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.*

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<sup>1</sup> The Downtown Parking District consists of six parking structures located within a four-block area, between Fourth Court, Broadway, First Court, and Wilshire Boulevard. A total of approximately 3,224 parking spaces are provided by the six structures.

In addition, the Santa Monica LUP, certified with suggest modifications, has a number of policies to ensure that the visual resources of the Santa Monica coastal zone are protected. The policies are as follows:

Policy 66 states in part that:

*...Permitted development including public works of art shall be sited and designed to:*

- a. protect views to and along the ocean and scenic coastal areas;*
- b. minimize the alteration of natural landforms; and*
- c. be visually compatible with the character of surrounding areas and restore and enhance visual quality in visually degraded areas.*

Policy 71 states:

*The City shall develop standards to assure that new development along Adelaide Drive and all other scenic corridors and designated viewing areas, as identified in the Scenic and Visual Resources Map#13, is designed and sited to be visually compatible with the character of the surrounding area, restores and enhances visual quality in visually degraded areas, and protects public views to the coast and scenic coastal areas. Public views shall mean views to the ocean from the public right of way of streets and designated public viewing areas.*

Santa Monica Place is a three-level, enclosed downtown shopping center, which, along with the outdoor Third Street Promenade, forms the City's downtown retail core. The mall is located just west of Second Street, which is one block inland of Palisades Park and the bluffs, and two to three blocks from the beach.

Santa Monica Place provides two public open decks along Second Street on the second and third levels. The decks at Santa Monica Place were a specific requirement of the Commission in permit No. A69-76 (see Exhibit No.1). Special condition No. 2a of the original permit required 10,000 square feet of open deck space with an ocean orientation on the second and third levels of the shopping center, along with a requirement that at least 5,000 square feet of commercial area be used for public use facilities, such as restaurants. The condition was required to mitigate for the height (56') and scale of the structure, since at the time of approval, the mall was one of the largest developments approved by the Commission in the City's downtown area.

The decks were required to provide the public an opportunity to view the ocean from the mall. At the time the Commission approved the original permit in 1977, there were limited intermittent ocean views. Views were mainly between and over some of the existing buildings located west of the mall. Ocean views from the decks were limited due to development between the mall and Ocean Avenue, and tall trees planted along Second Street, Ocean Avenue and within Palisades Park. Because of the Commission's action in requiring the open decks, the mall's decks were considered a public view area in the City's Land Use Plan that was certified in 1992. However, since the construction of the mall in 1980, there have been a number of commercial buildings constructed along Second Street and Ocean Boulevard west of the mall's open decks that further diminished the ocean views from the decks (CDP No.: 5-88-062; 5-84-

866; 5-81-554; 5-94-172; and 5-04-291). Most recently, in 2004 (CDP No. 5-04-291), the Commission approved the demolition of an existing one-story restaurant (McDonald's) and surface parking lot and the construction of a 61,600 square foot, 45-foot high (with architectural elevator towers extending to 59 feet), mix-use commercial development at the northwest corner of Second Street and Colorado Boulevard. In approving CDP No. 5-04-291, the Commission found that the views offered from the second and third floor decks of the mall were not significant and the decks offered very little ocean viewing opportunities for the public due to the location of the mall, existing development, and other obstructions along Second Street and Ocean Boulevard, and lack of public use.

The proposed redesign of the mall will relocate the food court from the current location on the interior first floor to the third floor, where it will be complimented by outdoor seating, viewing areas, and other restaurant uses. The applicant will take advantage of the mall's proximity to the coast and orientation and provide approximately 5,700 square feet of open public space and 8,000 square feet of enclosed food court space with orientation toward Second Street, along with approximately 7,000 square feet of food court leasable space.

However, because of the obstructed views and past Commission permit action, maintaining a 10,000 square foot open deck, as required in the original permit (special condition no. 2a), does not provide a significant public coastal benefit in terms of ocean viewing as it may have been envisioned in 1977 when the Commission approved the original permit. Therefore, it is no longer relevant to require an open deck with an ocean orientation on both the second and third levels. However, with the redesign and location of the food court on the third level on the Second Street side, the food court will provide visitor-serving opportunities, such as public restaurants, public outdoor seating, public viewing area with ocean orientation, and the parking structures will continue to be available for general public parking, including beach parking.

Therefore, special condition no. 2a is being modified to require that the applicant maintain at least a 5,700 square foot open public deck on the third floor, as proposed by the applicant, with adjacent visitor-serving uses, such as restaurants and a public food court. To ensure that the mall will continue to provide visitor-serving opportunities, special condition no. 1 requires that any change to the project design, including mix of uses and open space areas, will require review by the Executive Director of the Commission to determine if an amendment to this permit will be required. The Commission finds that with the changing building environment of the downtown and surrounding area, and the continued provision of visitor-serving uses, the project as amended, will be consistent with the Chapter 3 policies of the Coastal Act.

### **C. Parking and Public Access**

The Commission has consistently found that a direct relationship exists between the provision of adequate parking and the availability of public access to the coast. Section 30211 of the Coastal Act states that:

*Development shall not interfere with the public's right of access to the sea where acquired through use of legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.*

Section 30252 of the Coastal Act requires that new development should maintain and enhance public access to the coast by providing adequate parking facilities. Section 30252 of the Coastal Act states in part:

*The location and amount of new development should maintain and enhance public access to the coast by. . . (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation. . .*

Therefore, in order to conform to the requirements of the Coastal Act, the proposed project must provide adequate support parking in order not to negatively impact parking for coastal access.

The existing mall has 558,556 square feet of gross leasable area with 2,246 (1,968 on-site and 278 off-site) available public parking spaces. The proposed project will reduce the gross leasable area by 10,234 square feet to 548,322 square feet and result in a net loss of 49 parking spaces due to the removal of a portion of Parking Structure No. 7 that currently overhangs the section of the mall that will be opened up and become exterior space. The proposed project will provide 1,919 on-site parking spaces and continue to provide the 278 off-site spaces for a total of 2,197 parking spaces.

As originally approved by the City and the Commission, the mall's parking supply was based on the City's Redevelopment Agency parking standard of 4 parking spaces per 1,000 square feet. Based on established parking ratio, the mall was required to provide 2,234 parking spaces. With the existing 2,246 parking spaces, there is a surplus of 12 parking spaces.

Using the same parking ratio, the proposed project with a 10,234 square foot reduction in gross leasable area, will have a parking reduction of 41 parking spaces. Based on the loss of parking (49 spaces) due to the proposed project, and reduction in demand (41 spaces), the project will result in a net loss of 8 parking spaces. Since the original project had a surplus of 12 spaces, with the net loss of 8 parking spaces, there will remain a surplus of 4 spaces. Therefore, with the reduction in square footage and in the parking supply, there will continue to be an adequate supply of parking based on the original parking ratio.

It should be noted that in the original permit, the project description indicated that the project would provide "approximately" 2,220 on-site parking spaces and 278 off-site spaces for a total of 2,498. However, staff believes, based on Commission and City records, that the 2,220 on-site parking figure was incorrect. Based on the parking plans submitted to the Commission for the original mall, there were 1,977 on-site parking spaces (or 2,255 total on-site and off-site spaces). The 1,977 on-site parking spaces indicated on the plans that were submitted to the Commission is close to what is currently provided (1,968 spaces). According to the City the deference or loss (9 spaces) is attributed to restriping due to American Disability Act requirements and circulation improvements that have taken place over the years within the two parking structures.

Although there is a difference of 9 spaces (loss) from the original plans to what is currently provided, this is not a significant difference and the plans are in substantial compliance with the Commission's original approval. Despite the minor inconsistency between what was approved

in 1977 and the current number of parking spaces, with the reduction in the square footage of the mall, the mall will continue to provide parking at the parking ratio applied to the original project. Furthermore, the mall will continue to provide a mix of retail and restaurant uses. The existing mall consists of approximately 78% retail and 5% restaurant/ food court area based on the total square footage. The proposed project will result in an increase in both retail and restaurant/ food court area mainly through the reduction of internal circulation area. Retail space will increase to 85% of the total square footage and restaurant/ food court uses will increase to 9%. Although there is a proposed increase in the two uses, the increase is balanced between the two uses, with retail stores continuing to be the dominate use as originally approved. Therefore, based on the proposed parking supply, reduction in overall square footage, and continued mix of uses, there will not be a significant impact to the parking supply due to the proposed project.

During construction there will be temporary parking impacts with the closing of portions of the two parking lots and from construction worker parking. However, during construction a portion of the leasable space will also be closed which will reduce the parking demand generated by the mall, and limited parking will continue to be provided during construction. To mitigate the temporary parking impacts to the downtown area during construction, construction worker parking will not be allowed by the City to reduce available public parking spaces in the parking structures and will require off-site parking for construction workers. In addition, impacted employee parking will be temporarily relocated off-site, and parking structures may be temporarily restriped to maximize parking on each open level.

The parking within the mall's two parking structures will continue to be partially open to the public during construction, and as construction progresses additional parking will be made available within the structures. Parking within the mall's two parking structures is and will continue to be opened to the general parking during and after construction.

The Commission, therefore, finds that as proposed the project will not adversely impact coastal access and will be consistent with Section 30211 and 30252 of the Coastal Act and with the applicable policies of the City's certified LUP.

#### **D. New Development**

Section 30250 of the Coastal Act states in part:

*(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources....*

Section 30231 of the Coastal Act states:

*The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among*

*other means, minimizing adverse effects of waste water discharges- and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*

Section 30240 of the Coastal Act states:

- (a) *Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*
- (b) *Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

The proposed project is a remodel and redesign of an existing retail mall located in the downtown commercial area of Santa Monica and is one block east of Palisades Park and bluffs, and two to three blocks from the beach. The Commission in prior actions on Coastal permits has indicated that downtown Santa Monica is a location in which new commercial development should be concentrated. Furthermore, policy #70 of the City's certified Land Use Plan states that:

*Allowable uses shall include retail, pedestrian oriented, visitor-serving commercial, public parking uses and other complementary uses (such as hotels, offices, cultural facilities, restaurants, social services, and housing).*

Surrounding uses include low and high rise office and mixed use buildings, surface parking lots, parking structures, restaurants and other commercial establishments. The proposed mixed use development will continue the commercial use of the mall and will be consistent with existing uses in the downtown area and with the character of the area.

Although the proposed project is a remodel of an existing development and has limited planting areas, the project will include landscaping within the open space areas and along the surrounding streets. In past permit action the Commission has found that landscaping with invasive plants can potentially impact surrounding natural areas, such as bluffs and beach areas. Therefore the Commission has consistently required that landscaping plans prohibit the use of invasive plants, and incorporate drought tolerant plants to minimize water use. The applicant has previously discussed this requirement with Commission staff prior to submittal of the application and has submitted a planting list consistent with the Commission's requirements. To ensure that the project will comply with the non-invasive landscaping requirements a special condition is required. The Commission therefore, finds that the project as conditioned will be consistent with applicable policies of the certified LUP and with Section 30250 of the Coastal Act.

#### **E. Control of Polluted Runoff**

Section 30230 states:

*Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.*

Section 30231 states:

*The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*

The proposed project poses a potential source of pollution due to contaminated runoff from the proposed hardscape and construction activity. The City, to mitigate potential impacts, has adopted an Urban Runoff Ordinance. The ordinance requires projects to incorporate best management practices with extensive recommendations and measures to reduce or prevent contaminants from running off the site. The City requires all new development to achieve twenty- percent reduction of the projected runoff for the site and the use of oil and water separators or clarifiers to remove petroleum-based contaminants and other pollutants. Furthermore, the City has a new state-of-the-art stormwater treatment facility that treats all dry weather storm runoff. Runoff from all new development is directed to existing stormdrains, which direct stormwater to the treatment facility.

Coastal Commission water quality staff has previously reviewed the City of Santa Monica's water quality standards for similar projects and have determined that the City's standards are consistent with standards imposed by the Commission. The proposed project will not increase the amount of hardscape within the existing developed area but may pose runoff concerns during construction. However, the City will require the project to comply with all the City's water quality standards during construction and for the operation of the development. To ensure that the project complies with the City's water quality requirements, a special condition is necessary that requires the applicant to agree to comply with the water quality requirements of the City. The Commission, therefore, finds that, as conditioned, the development will be consistent with Section 30230 and 30231 of the Coastal Act.

**F. Local Coastal Program**

*(a) Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3.*

In August 1992, the Commission certified, with suggested modifications, the land use plan portion of the City of Santa Monica's Local Coastal Program, excluding the area west of Ocean Avenue and Neilson Way (Beach Overlay District), the Santa Monica Pier and the Civic Center. On September 15, 1992, the City of Santa Monica accepted the LUP with suggested modifications.

As conditioned, the project will not adversely impact coastal resources and beach access. The Commission, therefore, finds that the proposed amendment will be consistent with the Chapter 3 policies of the Coastal Act and will not prejudice the ability of the City to prepare a Local Coastal Program consistent with the policies of Chapter 3 of the Coastal Act as required by Section 30604(a).

**G. CEQA**

Section 13096 of the Commission's regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(i) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available, which would substantially lessen any significant adverse impact, which the activity may have on the environment.

The proposed project, as conditioned, is consistent with the applicable policies of the Coastal Act. There are no feasible alternatives or mitigation measures available, which would substantially lessen any significant adverse impact, which the activity may have on the environment. Therefore, the proposed project is found consistent with CEQA and the policies of the Coastal Act.

<b>EXHIBIT NO.</b> 1
<b>Application Number</b> 5-07-343A1
AG9-76 Report and Conditions
California Coastal Commission

CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION  
1540 Market Street, San Francisco 94102 — (415) 557-1001

STAFF RECOMMENDATION

Appeal No. 69-76  
(Santa Monica Downtown  
Redevelopment)  
60th Day: Waived

DECISION OF  
REGIONAL  
COMMISSION:

Permit approved with conditions by South Coast Regional Commission

PERMIT  
APPLICANT:

Santa Monica Redevelopment Agency

APPELLANTS:

David Shulman, et al.

DEVELOPMENT  
LOCATION:

Two square blocks bounded by Broadway, 4th, Colorado and  
2nd Streets, Santa Monica, Los Angeles County (Exhibit 1)

DEVELOPMENT  
DESCRIPTION:

Demolish all existing structures, vacate street, and construct  
1,560,000 sq. ft. enclosed mall, commercial and retail center  
with approximately 2,220 parking spaces onsite and a minimum  
of 278 offsite employee parking spaces (Exhibit 6)

PUBLIC HEARING:

Held May 19, 1976 in Burlingame

STAFF RECOMMENDATION: The staff recommends that the Commission adopt the following  
resolution:

I. Approval

The Commission hereby approves a permit for the proposed development,  
subject to the conditions in Section II below, on the grounds that, as con-  
ditioned, the development will not have any substantial adverse environmental or  
ecological effects and will be consistent with the findings, declarations and  
objectives of the California Coastal Zone Conservation Act of 1972.

II. Conditions

The permit is subject to the following conditions:

A. Prior to the commencement of any development, as defined by the  
Coastal Act, the applicant shall submit the following to the Executive Director  
of the Coastal Commission for his review and approval to assure conformance with  
the intent of these conditions:

1. A written enforceable agreement binding the project developer  
to implement the following conditions in addition to the applicant's return of  
a signed copy of the permit, agreeing to the permit conditions.

2. Revised working drawings of the proposed project incorporating  
the following features:

a. A minimum of 10,000 sq. ft. of open deck space with an ocean orientation on the second and third levels of the mall. All leasable areas abutting this deck shall have direct access to the open area. At least 5,000 sq. ft. of this commercial area shall be public use facilities such as bars and restaurants.

b. Bus access channelization and at least 2 on-site bus shelters approved by the City of Santa Monica.

c. Exclusive secure bicycle parking area on the street level of the on-site parking structures for at least 100 bicycles.

d. Substantial conformance to the preliminary plans submitted to the State Commission.

3. A car pool and transit incentive program and management system approved by the City of Santa Monica incorporating the following:

a. At least 140 of the off-site employee parking stalls shall be reserved for exclusive car pool use. Appropriate measures to assure that car pools contain at least three employees and are given clear preference for parking, and that the system is enforceable shall be included.

b. A public transit fare validation system shall be implemented by the developer. The system shall be in effect for at least a 30-year period and is limited to a cost to the developer of \$25,000 per year ( in 1976 dollars adjusted every 3 years to reflect consumer price index inflation figures as prepared by the U.S. Dept. of Commerce). All employees' public transit costs are to be reimbursed and a method of validating patron's transit fares is to be implemented up to the above financial limits.

4. Assurance that residents to be dislocated by the project will be offered a choice of housing in Santa Monica at rents comparable to present residences, and that if such cannot be provided, the City shall subsidize such rent for the first relocation residence of the displaced persons. Such replacement housing shall be in addition to the units of the Section 236 housing in Ocean Park Redevelopment Project and the Section 8 leased housing units recently approved by HUD.

5. The construction and operation of the project shall be in accordance with the implementation of the above conditions as approved by the Executive Director.

B. Prior to occupancy of the project, evidence of the following shall be submitted to the Executive Director:

1. The completion of construction of the Section 236 housing in the Ocean Park Redevelopment Area providing 100 units of subsidized housing.

2. The completion of a new off-ramp from the westbound Santa Monica Freeway to 4th and 5th Streets. If the Commission does not approve a permit for the off-ramp, the applicant may apply to the State Commission for an amendment to this permit.

III. Findings and Declarations. The Commission finds and declares as follows:

1. Summary. This appeal involves an attempt to revitalize a downtown area; a goal that is clearly consistent with the intent of the Coastal Act to concentrate development in existing urban areas. Attainment of this goal however, cannot take

place at the expense of the other requirements of the Coastal Act. Because the project site in the downtown area of Santa Monica is so close to the ocean, other issues assume equal importance; a design that takes advantage of its proximity to the ocean and does not overwhelm the surrounding area, traffic conflicts with access to the coast, and impacts on low income residents of the downtown area. The conditions incorporated herein have evolved after extensive discussions between the staff and the City and the project developer in an attempt to resolve these issues.

The project height has been reduced to about 85 ft. so that this 2 square block project will not overwhelm the surrounding buildings and mall. Portions of the second and third floors have been reoriented toward the ocean and committed to public uses that will take advantage of the coastal location. The conflicts with coastal access that will be caused by the traffic generated by this project will be mitigated by the incorporation of bus and car pooling systems for employees and bus transit facilities for patrons. One of the most important conditions requires the scheduling of the already planned freeway off-ramp to coincide with the use of the project. The adverse impact on housing for low and moderate income residents of the area has been mitigated by relocation requirements as well as the scheduling of already planned subsidized housing units to coincide with use of the project. With these conditions the project can provide for all of the concerns expressed in the Coastal Act; revitalizing the downtown, providing a proper design, reducing conflicts with coastal access for beachgoers and reducing impacts to low and moderate cost housing in the area.

2. Design Considerations. The project as presented to this Commission was designed as a 112-ft. high enclosed mall shopping center. The appellants maintain that the project is of such a scale as to be out of character for Santa Monica and fails to orient itself to the coastal location. Reflecting these concerns and the Commission's discussion at the hearing, the applicant has submitted preliminary drawings redesigning significant portions of the project. While maintaining the enclosed mall concept, the project now provides a two-level open deck area with access provided from restaurants, bars and other public use areas. This modification will significantly orient the project to the coast by taking advantage of the ocean views. The project height has also been reduced from 112 ft. to 85 ft. above average finished grade at the first floor level with only minor architectural embellishments and skylights rising above that height (Exhibit 6). Under the conditions, the applicant will also redesign the street level to provide adequate transit facilities for buses and an adequate bicycle parking area. All these features are to be reviewed and approved by the Executive Director to assure compliance with the Commission's intent.

As originally proposed, the 2 square block project would have been out of scale with the adjacent downtown buildings and mall and would not have taken advantage of its coastal location. With the reduction in height and the redesign of the building to orient portions of the second and third levels toward the ocean, however, the Commission is able to make the findings required by the Coastal Act that the project is in keeping with the character of downtown Santa Monica and is consistent with the maintenance, restoration and enhancement of the overall quality of the coastal zone environment.

3. Urban Redevelopment and Coastal Resources. The process of public agency involvement with private developers in revitalizing urban areas is a long established but controversial endeavor. The commitment of the City of Santa Monica to this project makes it clear that they are convinced that the center will be an economic

success and will serve as an anchor to the existing mall by encouraging further improvements in the immediate vicinity. The appellants question the appropriateness of this process and question the social and economic impacts of the project. This Commission's review of the project does not endorse an abstract process nor guarantee its result but must analyze the project's impacts on coastal zone resources. The redirection of investment from rural fringe areas to underutilized urban areas is consistent with the intent of the Coastal Act. However, the proposal's direct and indirect impacts must be considered in specific terms.

Under existing State regulations the City must provide relocation assistance to residents and businesses to be forced off the project site. The City has agreed to accept a Regional Commission condition to reinforce this commitment and to provide new housing opportunities in addition to already programmed low and moderate income housing if necessary.

However, the appellants contend that the impact of this project on housing opportunities in the coastal zone will extend into the low income neighborhood beyond the project boundaries. This is supported by the project EIR's statement that "residential rents in the census tract may as an indirect, secondary impact increase somewhat because of this project". This impact can be mitigated to some degree as part of this permit because the applicant, the Redevelopment Agency, is authorized by this Commission to construct 100 units of senior citizen subsidized housing (Appeals 1-73 and 117-75). The City is committed to implement this program but should guarantee that it will be available to house the elderly citizens who may be forced from residential hotels on the periphery of this project. With these coastal housing resources protected, the project will be consistent with the Coastal Act's requirement that development be balanced and orderly as well as avoiding irreversible and irretrievable commitments of coastal zone resources.

4. Transportation Issues and Coastal Access. This project is intended to be a regional shopping center drawing from a trade area bounded by Malibu and the Santa Monica Mountains on the northwest, Los Angeles Airport on the south, and well into the metropolitan area on the east. Ninety-five percent of the trips by patrons are projected to be by private auto. Eighty percent of the over 1000 employees are expected to commute by car. The applicant's data estimate that this project will add 12,500 vehicle trips to the regional street system. Their analysis claims that only one beach route will become severely congested. This corridor, Lincoln Blvd., may pose conflicts between beach users and shoppers at the intersection of the Santa Monica Freeway and Lincoln. Coastal access concerns have been important factors in the Commission's permit decisions in Marina del Rey, at the other end of this same transportation corridor.

All of the traffic studies submitted by the applicant point to the construction of a freeway off-ramp from the Santa Monica Freeway at Lincoln as a mitigation measure which will assure adequate traffic flows for project patrons and beach users (Exhibit 3). The studies contend that 32% of the center's shoppers will use this corridor (Exhibit 4). The applicant is committed to construct this project in coordination with State and Federal Agencies. The City maintains that the construction is programmed to coincide with the opening of the shopping center. Because the City is responsible for both the proposed project now before this Commission and the future mitigation measure, it is reasonable to require that the City do everything in its power to guarantee that the off-ramp in fact be operative prior to the occupancy of the Mall. The Coastal Act requires such assurances in its mandate providing that: "All permits shall be subject to reasonable terms and conditions in order to ensure...access to publicly owned or used beaches...is increased to the maximum extent possible..."

The applicant has emphasized the availability of public transit in the immediate vicinity of the project site, and the project's EIR and supporting documents noted that transit patronage for the center may increase as much as 10% if bus facilities were incorporated into the project. By conditioning the permit to require design changes to facilitate transit useage and direct transit subsidies for employees and shoppers, vehicle trips generated by this project can be reduced, thus reducing conflicts between patrons of the center and beach users. Employee car pooling is also provided for to reduce parking and traffic congestion; a concern expressed by the Southern California Association of Governments as well.

5. Energy Conservation. The energy conservation considerations of the enclosed mall design were controversial at the Regional Commission level and at the appeal hearing. Appellants of the project claimed that an open mall would be more energy efficient by taking advantage of the temperate coastal climate. The applicant claimed that enclosed malls in fact use less energy than open malls. Technical evidence was introduced to support each side of this issue. To resolve this conflict, the Regional Commission required that a "dynamic energy analysis" be prepared for this project (Exhibit 2). Rather than conduct a third study possibly requiring limited design modifications, the applicant has agreed to meet the State Energy Resources Conservation and Development Commission's "Energy Conservation Standards for New Nonresidential Buildings" (Exhibit 5). This would prevent the grandfathering of this project from these statewide regulations which will go into effect early next year. Therefore energy conservation will be dealt with in terms of a statewide criteria, rather than ad hoc standards applied only in the coastal zone.

6. Implementation of Conditions. The applicant in this project is the City of Santa Monica acting through its redevelopment agency. The actual developer of the shopping center is not the applicant of record. Thus, the Attorney General's office has advised the Commission that conditions must be carefully drafted to assure that the actual developer of the project, Santa Monica Place Associates, will construct and operate this project in accordance with the mitigation measures required by the Commission under the Coastal Act. At the same time, because the City is the applicant and has control over many of the mitigating measures suggested in the project's environmental documents, the mitigation measures can realistically be required. The conditions have therefore been designed to require agreement of both the City and the developer.

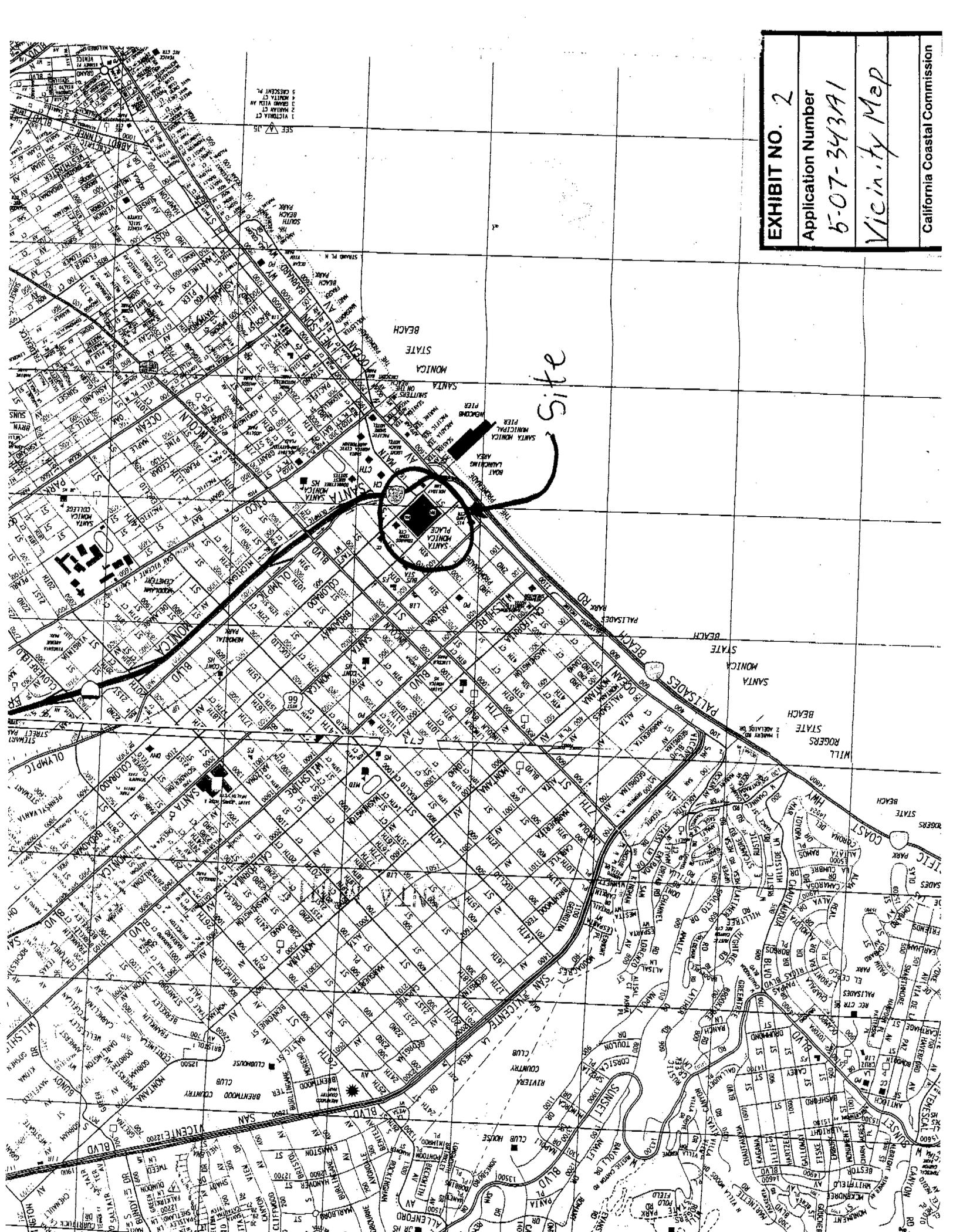
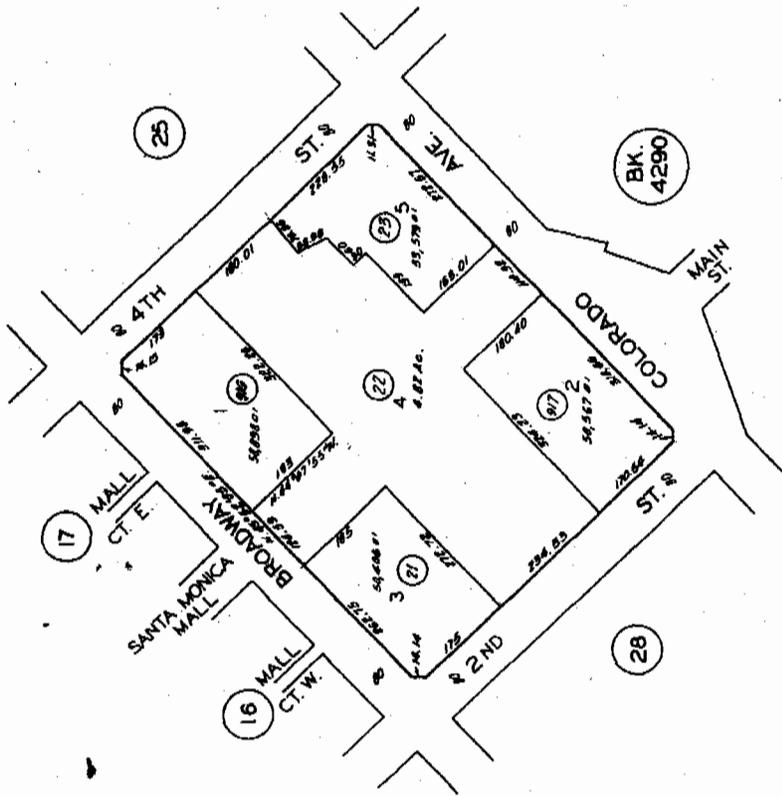


EXHIBIT NO. 2  
Application Number  
5-07-343A1  
Vicinity Map  
California Coastal Commission

4291 26

200'



All 900 series parcels on this page are assessed to Redevelopment Agency of the City of Santa Monica, unless otherwise noted.

TRACT NO. 34997 M. B. 926-44-46

ASSESSOR'S MAP  
CITY OF SANTA MONICA

<b>EXHIBIT NO.</b> 3
<b>Application Number</b> 5-07-343A1
Parcel Map
California Coastal Commission



SANTA M  
PLA  
385 Santa Monica  
Santa Monica, CA

The Mac  
Compan  
We Make Great Things

DESIGN PARTNER:  
JER  
ARCHITECTS  
113 Ocean Street  
Santa Monica, CA 90401  
Tel: 310.316.1131

SCHEMATIC DES

NO.	DATE	DESCRIPTION
1	10/18/07	Preparation
2	06/08/07	Revisions

PROJECT NO:  
5206102  
DATE:  
JUNE 8, 2007  
DRAWING SCALE:  
1/8" = 1'-0"

PROJECT TITLE:  
SITE PLAN

DRAWING NO.:

A0.0

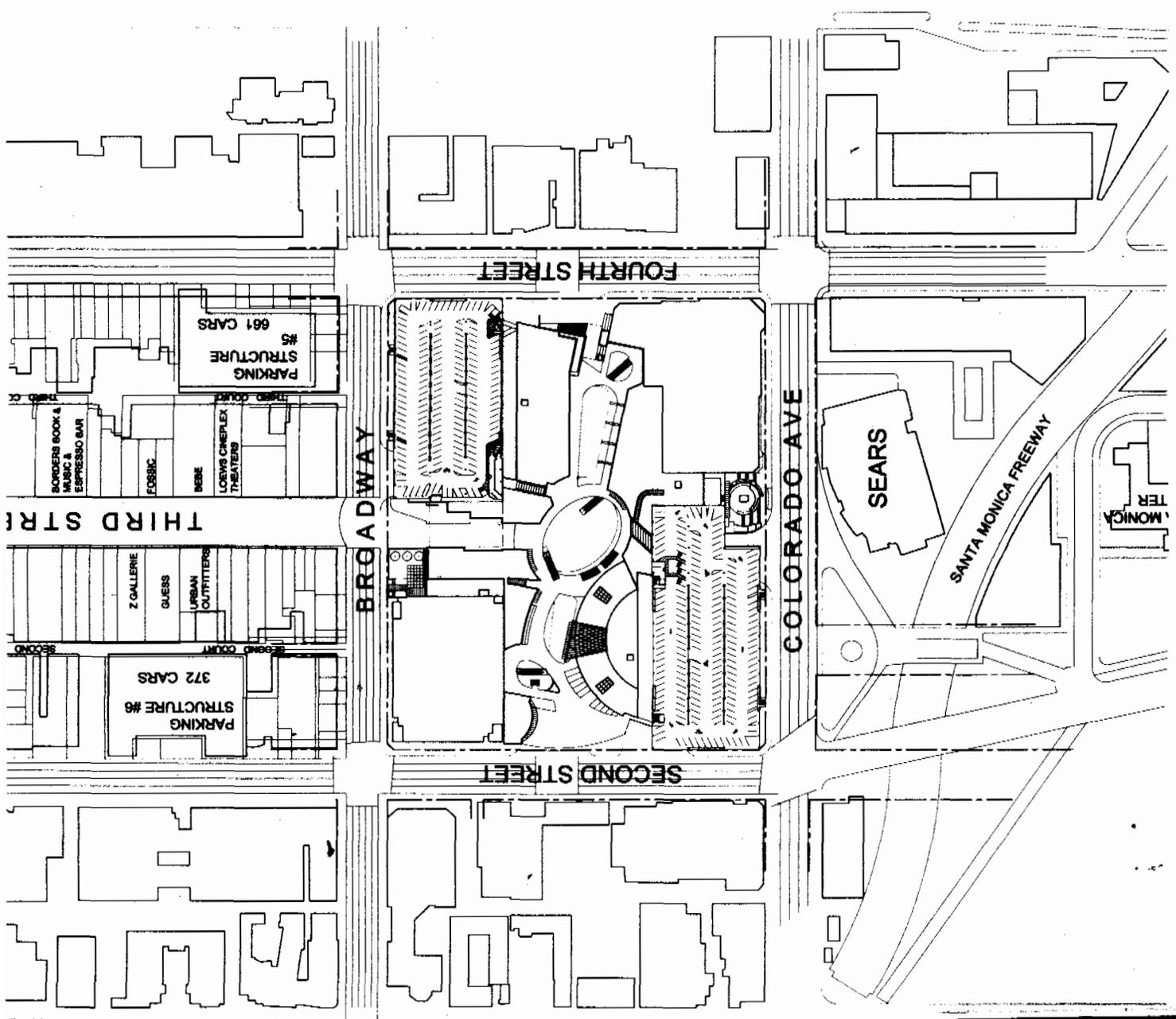


EXHIBIT NO. 5
Application Number 5-07-343A1
Proposed Site Plan
California Coastal Commission

Santa Monica Place Remodel Project IS/MND  
 Section 2.0 Project Description

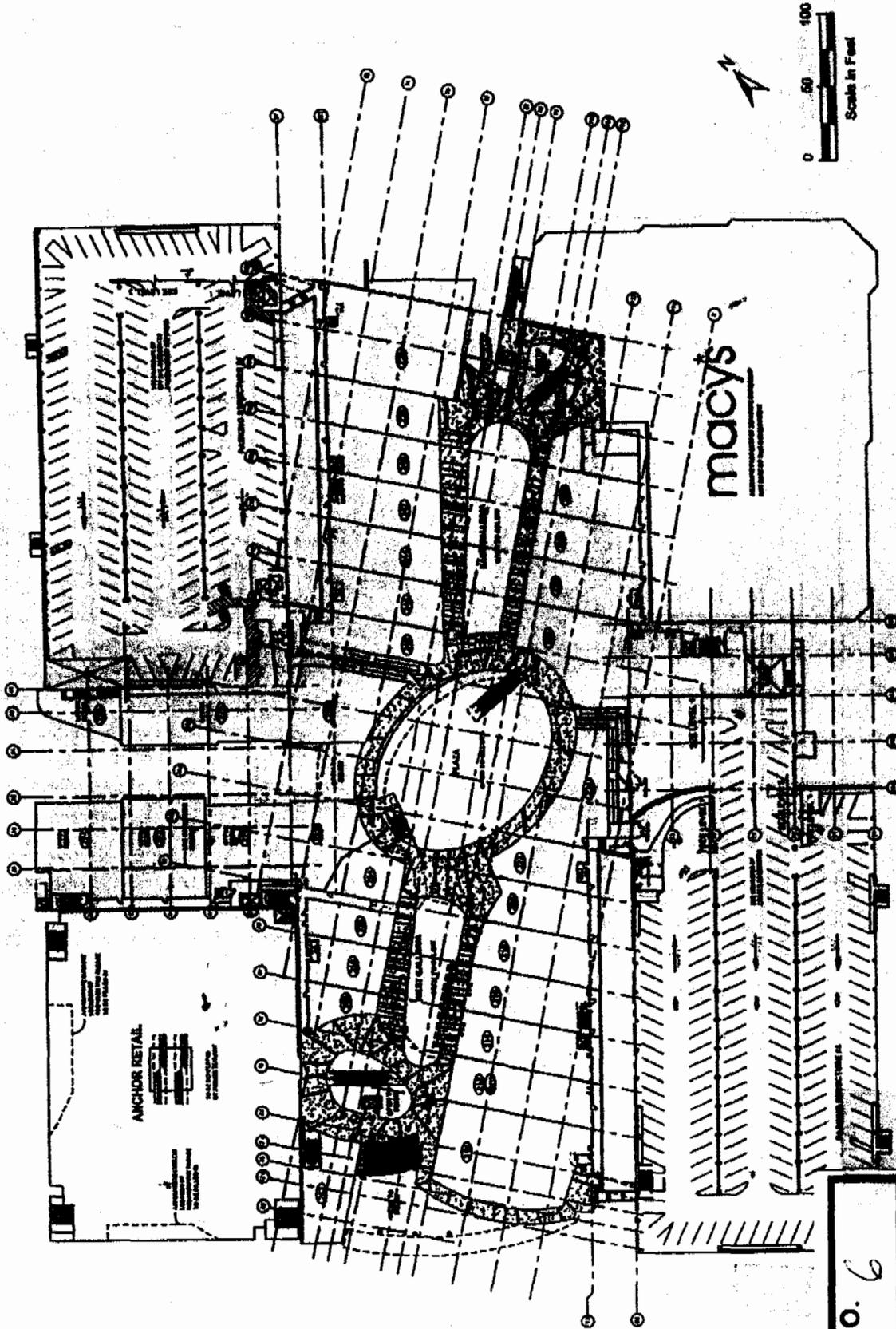
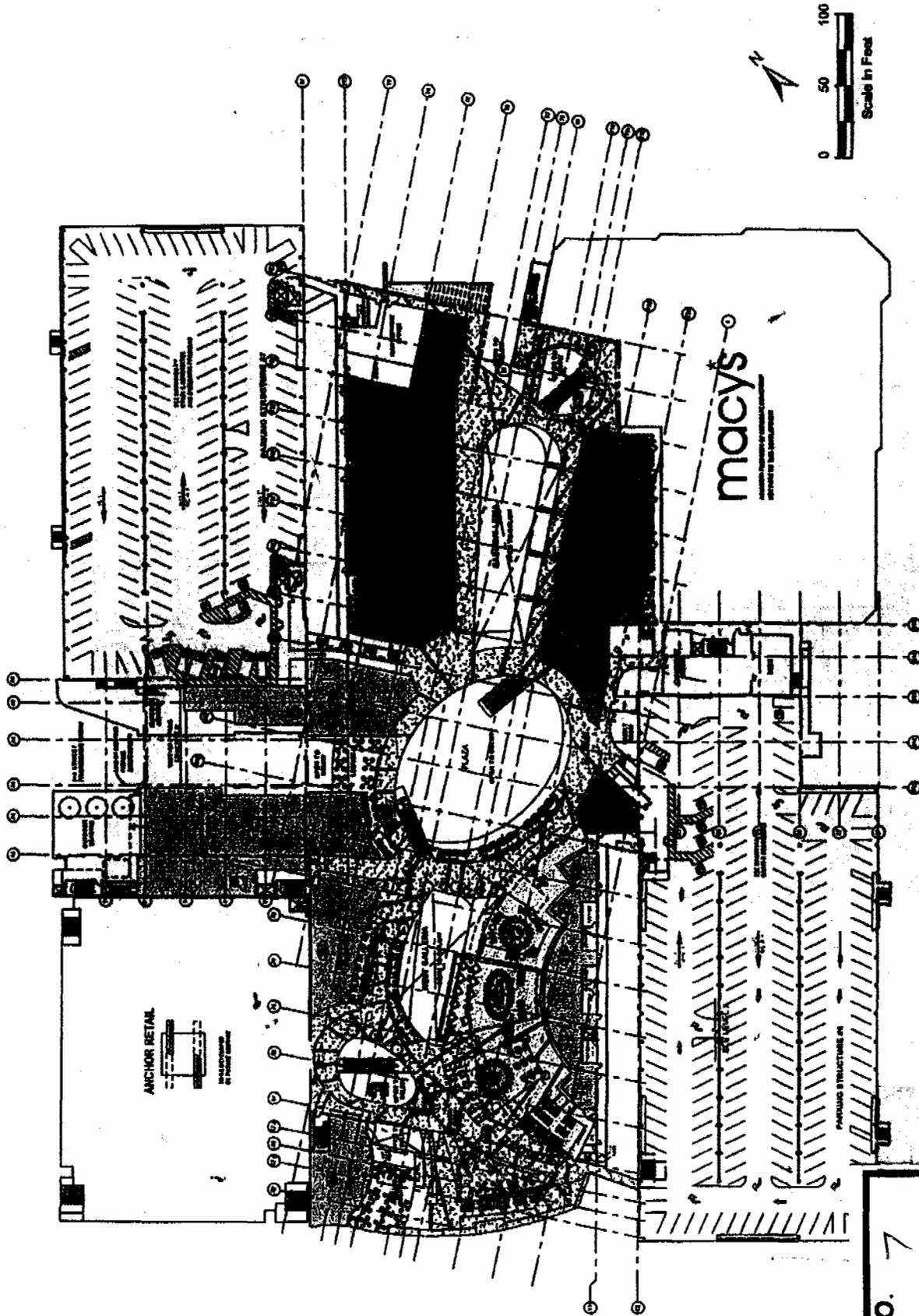


Figure 2-5  
 City of Santa Monica

Proposed Second Floor Plan

EXHIBIT NO. 6
Application Number 5-07-343 A1
2nd Floor Plan
California Coastal Commission



Proposed Third Floor Plan

Figure 2-6  
City of Santa Monica

June 2007

EXHIBIT NO.	7
Application Number	5-07-343 A1
	3rd Floor Plan
California Coastal Commission	

Santa Monica Place Remodel Project IS/MND  
 Section 2.0 Project Description

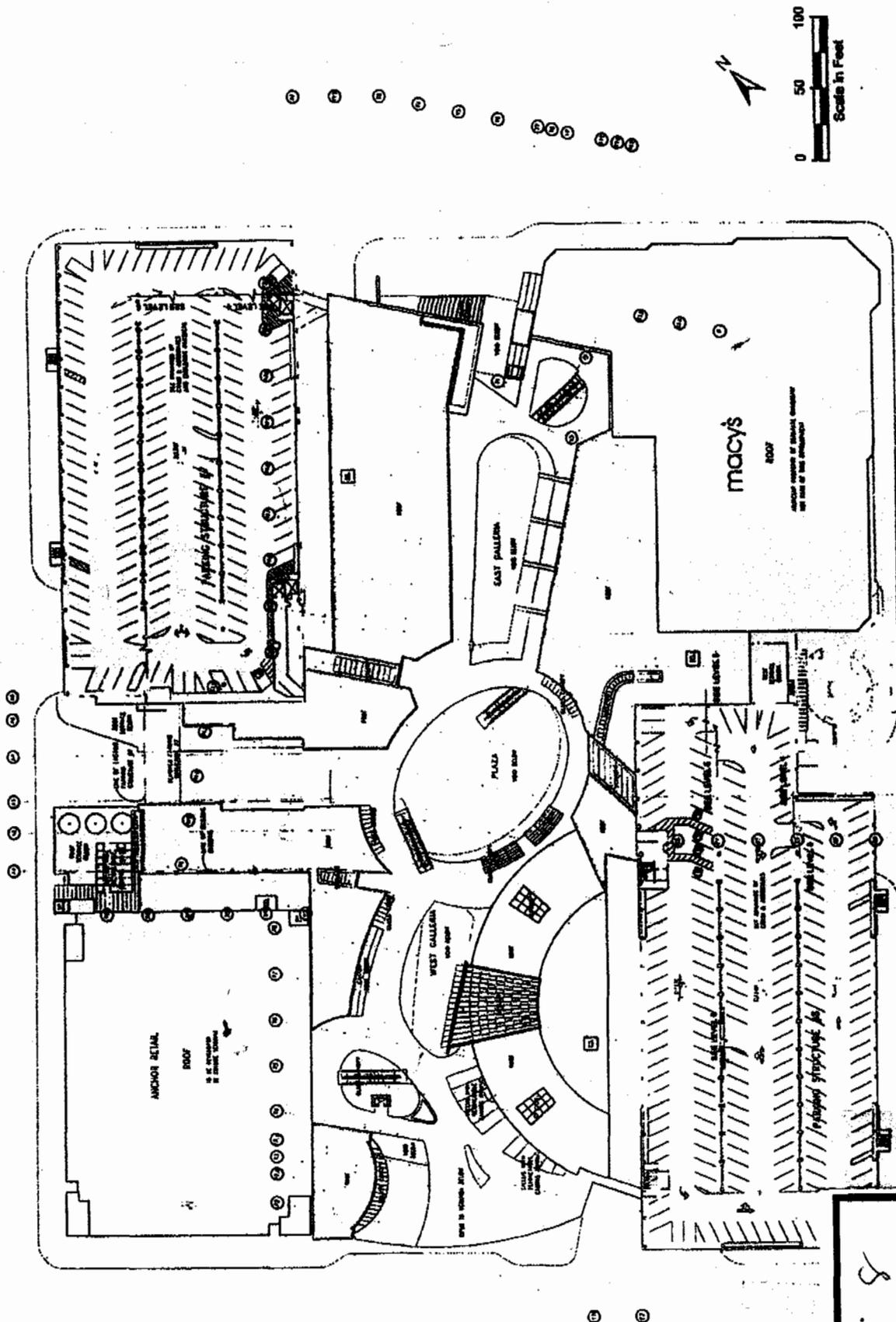


Figure 2-7  
 City of Santa Monica

Proposed Roof Plan

June 2007

EXHIBIT NO.	8
Application Number	507-343 A1
	Roof Plan
California Coastal Commission	