

**CALIFORNIA COASTAL COMMISSION**

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# Th20c

Filed: 11/17/17  
180th Day: 5/15/18  
Staff: A. Spencer-LB  
Staff Report: 02/15/18  
Hearing Date: 03/08/18

## STAFF REPORT: REGULAR CALENDAR

<b>Application No.:</b>	<b>5-17-0847</b>
<b>Applicant:</b>	<b>Seritage Growth Properties, c/o Kacy Keys</b>
<b>Agent:</b>	Park and Velayos, LLP, c/o Lindsey Kotzberg
<b>Location:</b>	302 Colorado Avenue City of Santa Monica, Los Angeles County
<b>Project Description:</b>	Rehabilitate and redevelop existing 94,186 sq. ft. historic Sears Main Building as mixed-use commercial development. Basement and first floor (approx. 11,720 sq. ft. service area) will be converted to combined food-service and retail, or "culinary retail." Second and third floor (approx. 45,000 sq. ft.) will be converted to office space, including a 7,450 square-foot net floor area addition. Existing 7,276 sq. ft. garden center on the property will operate as-is. Surface lot will provide 180 parking spaces and 57 bicycle spaces, with valet stacked parking proposed when parking lot surpasses capacity. Seismic retrofitting for the Sears building will also be conducted.
<b>Staff Recommendation:</b>	Approval with Conditions

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### SUMMARY OF STAFF RECOMMENDATION:

The applicant is proposing to redevelop the former Sears department store in Downtown Santa Monica into a mixed-use commercial development with retail and restaurant uses on the basement and first floor, and office space on the second and third floors. The third floor will be reconfigured to add 7,450 square feet of new net floor area. The bow-truss roof structure will be removed to make way for a skylight and rooftop deck that will be accessed by elevator and stairs. The project also includes a seismic retrofitting of the building.

The proposed development will provide 180 parking spaces and 57 bicycle parking spaces on site. Using the Coastal Commission parking guidelines, the applicant has submitted a parking study concluding that the proposed parking is sufficient for a peak summer weekend demand, but is 47 spaces short to satisfy a peak summer weekday demand. In order to alleviate the projected parking shortage, the Commission imposes **Special Condition 1** requiring the applicant to provide a parking attendant to implement a stacked valet parking program when the parking lot reaches full capacity.

The applicant has indicated that a landscaping plan will be submitted to the Santa Monica Landmarks Commission once all approvals are obtained. The Commission therefore imposes **Special Condition 2** requiring that all project landscaping incorporates noninvasive, drought-tolerant plants.

The project site is located in Downtown Santa Monica, an area that primarily contains commercial developments and recreational areas. Some developments to note in the project vicinity include the Santa Monica Pier, Tongva Park, Santa Monica Place, and Third Street Promenade. The project as proposed maintains and expands the visitor-serving qualities of the area by offering an additional space for Santa Monica visitors to recreate. At the same time, the location and design of the project does not block public coastal access. Therefore, the project, as proposed, is consistent with the development, recreation, and public access policies outlined in Coastal Act Chapter 3.

The proposed development is located approximately 0.3 miles from the beach. Although the development does not directly impact sensitive coastal resources, there is the potential for runoff and debris to flow into the nearby beach areas, especially during the construction process. The Commission therefore imposes **Special Condition 3** requiring the applicant to submit a post-construction runoff plan and to follow best management practices during the construction process to ensure that runoff and debris do not flow into beach areas.

The City of Santa Monica has a Certified Land Use Plan (LUP) that was approved by the Commission in October, 1991, but does not have a certified Local Coastal Program (LCP). Therefore, the standard of review is the Chapter 3 policies of the Coastal Act. The Commission finds that the proposed project can be approved with conditions; however, there is potential for future development of the site to adversely impact public access. Therefore, the Commission imposes **Special Condition 4** requiring an amendment for this CDP or an additional CDP for any future development on the site, including actions that would otherwise be exempt from permit conditions.

As conditioned, the proposed project is consistent with the Coastal Act Chapter 3 policies and Santa Monica's certified LUP.

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## I. MOTION AND RESOLUTION

### Motion:

*I move that the Commission **approve** Coastal Development Permit Application No. 5-17-0847 pursuant to the staff recommendation.*

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:

*The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the 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 alternatives that would substantially lessen any significant adverse impacts of the development on the environment.*

## II. STANDARD CONDITIONS

This permit is granted subject to the following 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 on which the Commission voted on the application. 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**

This permit is granted subject to the following special conditions:

1. **Stacked Valet Parking Management Program.** The development, as proposed, has a parking deficit of 47 spaces during peak summer weekdays. In order to mitigate for this parking shortage, the applicant shall maintain a stacked valet parking management program to accommodate the total parking demand as determined in the applicant's January, 2018 parking study. The applicant shall have a parking attendant on-site to stack-park cars when the surface parking lot has reached 90 percent capacity.
2. **Landscaping – Drought Tolerant, Non-Invasive Plants.** Vegetated landscaped areas and planters shall only consist of native plants or non-native drought tolerant plants, which are non-invasive. The use of pesticides and herbicides shall be prohibited. No plant species listed as problematic and/or invasive by the California Native Plant Society (<http://www.CNPS.org/>), the California Invasive Plant Council (formerly the California Exotic Pest Plant Council) (<http://www.cal-ipc.org/>), or as may be identified from time to time by the State of California shall be employed or allowed to naturalize or persist on the site. 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 shall be low water use plants as identified by California Department of Water Resources  
(See:<http://www.water.ca.gov/wateruseefficiency/docs/wucols00.pdf>).
3. **Storage of Construction Materials, Mechanized Equipment and Removal of Construction Debris.** The permittee shall comply with the following construction-related requirements:
  - (a) No demolition or construction materials, debris, or waste shall be placed or stored where it may enter sensitive habitat, receiving waters or a storm drain, or be subject to wave, wind, rain, or tidal erosion and dispersion.
  - (b) No demolition or construction equipment, materials, or activity shall be placed in or occur in any location that would result in impacts to environmentally sensitive habitat areas, streams, wetlands or their buffers.
  - (c) Any and all debris resulting from demolition or construction activities shall be removed from the project site within 24 hours of completion of the project.
  - (d) Demolition or construction debris and sediment shall be removed from work areas each day that demolition or construction occurs to prevent the accumulation of sediment and other debris that may be discharged into coastal waters.
  - (e) All trash and debris shall be disposed in the proper trash and recycling receptacles at the end of every construction day.
  - (f) The applicant shall provide adequate disposal facilities for solid waste, including excess concrete, produced during demolition or construction.
  - (g) Debris shall be disposed of at a legal disposal site or recycled at a recycling facility. If the disposal site is located in the coastal zone, a coastal development permit or an

- amendment to this permit shall be required before disposal can take place unless the Executive Director determines that no amendment or new permit is legally required.
- (h) All stock piles and construction materials shall be covered, enclosed on all sides, shall be located as far away as possible from drain inlets and any waterway, and shall not be stored in contact with the soil.
  - (i) Machinery and equipment shall be maintained and washed in confined areas specifically designed to control runoff. Thinners or solvents shall not be discharged into sanitary or storm sewer systems.
  - (j) The discharge of any hazardous materials into any receiving waters shall be prohibited.
  - (k) Spill prevention and control measures shall be implemented to ensure the proper handling and storage of petroleum products and other construction materials. Measures shall include a designated fueling and vehicle maintenance area with appropriate berms and protection to prevent any spillage of gasoline or related petroleum products or contact with runoff. The area shall be located as far away from the receiving waters and storm drain inlets as possible.
  - (l) Best Management Practices (BMPs) and Good Housekeeping Practices (GHPs) designed to prevent spillage and/or runoff of demolition or construction-related materials, and to contain sediment or contaminants associated with demolition or construction activity, shall be implemented prior to the on-set of such activity
  - (m) All BMPs shall be maintained in a functional condition throughout the duration of construction activity.

4. **Future Improvements.** This permit is only for the development described in Coastal Development Permit No. 5-17-0847. Except as otherwise provided in Public Resources Code section 30610 and applicable regulations, any future development as defined in PRC section 30106, including, but not limited to, a change in the density or intensity of use of land, shall require an amendment to Permit No. 5-17-0847 from the Commission or shall require an additional coastal development permit from the Commission, unless the Executive Director determines no amendment or new CDP is legally required, or from the applicable certified local government.

## **IV. FINDINGS AND DECLARATIONS**

### **A. PROJECT LOCATION & DESCRIPTION**

The proposed project involves a redevelopment of the Sears Building in downtown Santa Monica, converting the building from an all-retail use to a mixed-use commercial development with food-service, retail, and office space. The basement and first floor of the Sears Main Building will be repurposed as a combined food-service and retail area. The second and third floors will be converted into office space. The third floor will also be reconfigured and expanded to add approximately 7,450 square feet of net new floor area. The Project includes construction of a new roof featuring skylights and openings in the first, second and third floor levels, which together will provide day lighting and offset electric lighting loads, along with a new rooftop deck and roof-access structure. Finally, the Sears Main building will be retrofitted to bring the building up to current seismic code.

The project site is approximately 3.1 acres in size and is located in Downtown Santa Monica, bordered by Colorado Avenue on the north, Fourth Street on the east, the Santa Monica 10 Freeway on the south, and Main Street on the west ([Exhibit 1](#)). The lot contains the Sears building, a 7,276 square-foot accessory building (currently being operated as a garden store), and a surface parking lot to accommodate both buildings ([Exhibit 2](#)). Across Fourth Street to the east is the Los Angeles Metro - Downtown Santa Monica station, and across Colorado Avenue to the north is the Santa Monica Place commercial center. The site was originally developed in 1947 to serve as the Sears department store. The main building housed the general department store, and the accessory building functioned as a gasoline filling station for Sears customers until 1961 when it was converted into a garden store. In 2005, The Sears main building was designated as a Santa Monica City historic landmark in recognition of its post-war, late-moderne architecture. In Spring, 2017, the Sears department store closed down. The garden store has stayed open for business despite the closing of the Sears department store. The project proposes to redevelop the Sears Main building only. The garden center will continue to operate as-is.

The project has been designed to preserve the structural and architectural integrity of the Sears Main Building. The current building envelope will not be changed through the redevelopment of the building. As stated previously, the 7,450 square-foot new net floor area will be achieved by a reconfiguration of the third floor, with no changes to the existing footprint. The reconfiguration includes opening up areas that were previously not available for public use, such as storage rooms and employee facilities. Exterior improvements are limited to re-painting and window replacements.

The applicant has provided supplemental information to describe the term “culinary retail” in more detail. Culinary retail is proposed as:

*“a mix of vendors with culinary-themed shops which may include prepared food stalls serving food for on-site or carry-away consumption, food stalls carrying food for carry-away consumption including items such as cheeses, meats and fish, breads and pasta, desserts and candy, fruits and vegetables and seasonings. Other vendors are expected to sell food-related items such as small appliances, cookware, plates, glasses, silverware and serving-ware, kitchen, dining and home décor, and packaged foods.”*

This “food-hall” floor concept is similar to the Farmer’s Market in the Fairfax neighborhood of Los Angeles and the Grand Central Market in Downtown Los Angeles. For the proposed project, food-service spaces will range from 50 square feet to 2500 square feet in size ([Exhibit 4](#)). At this time a ratio of food-service use to retail use has not been finalized for the basement and first floors.

## B. OTHER AGENCY APPROVALS

The Project received administrative approval from the City of Santa Monica on July 27, 2017. The Project also received an approval of a Certificate of Appropriateness from the Landmarks Commission on September 11, 2017. A detailed landscape plan will be reviewed by the Landmarks Commission under a separate application for a Certificate of Appropriateness.

## C. DEVELOPMENT/COASTAL VIEWS

Coastal Act Section 30250(a) 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.*

Coastal Act Section 30251 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.*

The proposed project is a redevelopment of the former Sears department store in Downtown Santa Monica into a mixed-use development with food-service, retail, and office uses. The Downtown Core area of Santa Monica is comprised primarily of visitor-serving commercial developments and recreational areas. The building is located within walking distance of a variety of visitor-serving developments and recreational areas, including the Santa Monica Pier, Santa Monica Place, Tongva Park, and Third Street Promenade. The redevelopment of the Sears Main Building as a mixed-use retail, food-service, and office development is consistent with the uses within the vicinity of the project site. Therefore, the proposed project conforms to Coastal Act Section 30250.

Some landscaping has been proposed in conjunction with the proposed project. The applicant has indicated that a separate landscaping plan will go before the Santa Monica Landmarks Commission for a Certificate of Appropriateness. The Commission imposes **Special Condition 2** to ensure that the applicant utilizes noninvasive and drought-tolerant plants.

The Sears building currently stands at 51 feet above average natural grade. The proposed project, with the removal of the bow truss structure, will result in a 50 foot, 9.5 inch tall building. Proposed improvements to the roof level include an elevator lobby measuring approximately 14 feet above the roofline, a stair enclosure measuring approximately 1.75 feet above the roofline, and a mechanical equipment enclosure that measures approximately 7 feet above the roofline ([Exhibit 3](#)). The proposed accessory roof structures conform to the Santa Monica height limits for such development, and constitute approximately 26 percent of the total area of the roof. Moreover, the Sears Main building is surrounded by other very large developments, notably the Santa Monica Place located directly across Colorado Street. The proposed accessory roof structures will not add a significant amount of mass to the project, and will not look out of character with the surrounding development. In addition, the Sears Main building is not visible from the beach. Therefore, the proposed project will not negatively impact views along the coast, and conforms to Coastal Act Section 30251 in regards to coastal views.

The proposed development is located approximately 0.3 miles from the beach. Although the development does not directly impact sensitive coastal resources, there is the potential for runoff and debris to flow into the nearby beach areas, especially during the construction process. The Commission therefore imposes **Special Condition 3** requiring the applicant to follow best

management practices during the construction process to ensure that runoff and debris do not flow into beach areas.

## **D. PUBLIC ACCESS/RECREATION**

Coastal Act Section 30210 states:

*In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*

Coastal Act Section 30252 states:

*The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings, and by (6) assuring that the recreational needs of new residents will not overload nearby coastal recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the new development.*

The project site currently contains a 179-space surface parking lot. This parking lot was constructed to service the Sears building and the accessory building (originally part of Sears) in 1947. The project proposes to maintain the existing 179-space surface parking lot and conduct re-striping to add one additional space. The parking lot, as designed for the new development will contain 180 spaces, 40 percent of which will be designated as compact spaces. The proposed project includes “culinary retail” use, which is a mix of retail and food service uses.

The applicant has provided a parking management summary that describes how the on-site parking will be managed. Either a monthly pass or a visitor ticket is required to enter and exit the parking lot, which will be controlled at both entrances and exits. Retail patrons will receive a validation to permit between one and three hours of free parking if a qualifying purchase is made within the development. The offices on the second and third floors may validate visitor parking. Pay stations will be located at various locations within the parking lot. An on-site attendant will be available at all times during tenant business hours for parking facilitation and troubleshooting. The parking lot fees are expected to be comparable to those of the Santa Monica Place parking structure located across Colorado Avenue from the development.

The applicant has not finalized the ratio of food service to retail use at this time, but has provided a parking analysis that estimates the total parking demand assuming that the culinary retail use is comprised solely of food-service use, which constitutes a higher parking demand than retail use.

The Coastal Commission Regional Interpretative Guidelines (1980) provides parking guidelines for different zoning uses. The Coastal Commission parking requirements are as follows:

- Office: 1 space / 250 square feet of gross floor area
- Restaurant: 1 space / 50 square feet of service area
- Retail: 1 space / 225 square feet of gross floor area

Based on the submitted parking analysis, the 180 space parking lot is sufficient to accommodate a peak summer weekend parking demand, but is 47 spaces short to accommodate a peak summer weekday parking demand. This shortage is prevalent between the hours of 1:00pm and 4:00pm.

In order to mitigate for the projected parking shortage on peak weekday afternoons, the applicant has proposed a stacked valet parking program overseen by a parking attendant. Between the hours of 12:00pm and 5:00pm, the parking attendant will be available to park and retrieve cars in front of existing spaces when all of the available parking spaces are occupied. The applicant has provided a modified parking plan to show that the existing parking aisle-ways can accommodate the 47 additional parking spaces needed to satisfy the parking demand ([Exhibit 5](#)). The Commission imposes **Special Condition 1** to hold the applicant responsible for maintaining the stacked valet parking management plan whenever the on-site parking lot reaches maximum capacity.

Although the parking analysis submitted by the applicant assumes a 100 percent food-service use on the basement and first levels, the space will realistically contain some percentage of retail use. Because retail use has a lower parking demand than food-service, the actual parking demand for the development will be smaller than the demand projected in the all food-service parking analysis. Bearing this in mind, the applicant may apply for an amendment to remove the requirement for a parking attendant if there is sufficient evidence that the parking demand for the development is less than the projected demand in the parking study. The applicant must submit to the Executive Director adequate data showing that the parking occupancy consistently does not exceed 90 percent, including the following: a) Vehicle counts; b) parking fees and subsequent fee changes, parking hours (daily, hourly, holiday, etc.) c) Parking lot usage, vacancy and/or turnover rates, and other data relevant to understanding visitation patterns; d) Use of any patron parking fee validation programs; e) Available information regarding factors such as weather, water quality, surf conditions, etc. that may affect visitation patterns; f) Parking citations (quantity and type) and other law enforcement citations issued; g) Special events including dates and time periods that such events occurred; h) Data on employee participation in a Ride Sharing/Carpooling program, number of employees utilizing public transit, number of employees biking/walking to work. The data must also evaluate whether the proposed development resulted in any significant adverse change to beach usage/attendance or parking lot usage and any recommendations for changes to the parking program that would offset any significant adverse impacts to public access and recreation to and along the coast.

Access to the proposed development is not limited to automobiles. The project proposes 57 long-term and short-term bicycle parking spaces for visitors and employees, and is also in close proximity to the Metro bike share and other similar bike-share depots. Visitors to the Downtown Santa Monica Area can easily walk from other commercial developments to the subject property. In addition, the project's location directly across the street from the Expo line station will attract out-

of-town visitors who can then walk either to the development or to the beach two blocks further down the street. The development's close proximity to a major public transit station, the rich resources for bicycle travel, and close proximity to other visitor-serving facilities reduce the dependence on automobiles to access the recreational areas within Santa Monica, and by extension, reduce the congestion along coastal access roads.

The proposed project is located 0.3 miles inland from the beach. Colorado Avenue, which runs southwest of the project site, is a one-way street that leads directly to the Santa Monica Pier and beach parking lots. As designed, the project does not block public coastal beach access.

## **E. LOCAL COASTAL PROGRAM (LCP)**

Coastal Act section 30604(a) states that, prior to certification of a local coastal program ("LCP"), a coastal development permit can only be issued upon a finding that the proposed development is in conformity with Chapter 3 of the Act and that the permitted development will not prejudice the ability of the local government to prepare an LCP that is in conformity with Chapter 3. The Land Use Plan (LUP) for the City of Santa Monica was effectively certified in October, 1991, and is currently in the process of updating its LCP. As conditioned, the proposed development is consistent with Chapter 3 of the Coastal Act and with the certified Land Use Plan for the area.

Although Santa Monica has a certified Land Use Plan, the city does not have a certified Local Coastal Program (LCP). The Commission finds that the project, as proposed and conditioned, will not prejudice the ability of the local government to prepare an LCP that is in conformity with the provisions of Chapter 3 of the Coastal Act. However, there is potential for future development on the site to adversely impact public access. In order to prevent this from occurring, the Commission imposes **Special Condition 4** requiring an amendment to Permit no. 5-17-0847 or an additional CDP for any future development on the site. This includes actions that may ordinarily be exempt from CDP requirements.

## **F. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

A CEQA Ministerial Exemption was determined for the proposed project by the Santa Monica City Planning Department on April 9, 2015. As conditioned, there are no feasible alternatives or additional feasible mitigation measures available that would substantially lessen any significant adverse effect that the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified impacts, is the least environmentally damaging feasible alternative and can be found consistent with the requirements of the Coastal Act to conform to CEQA.

## **Appendix A - Substantive File Documents**

- Santa Monica Land Use Plan
- City of Santa Monica Administrative Approval
- City of Santa Monica Landmark Approval
- Gibson Transportation Consulting- Parking Study, January 2018
- Gibson Transportation Consulting- Parking Management Summary