

CALIFORNIA COASTAL COMMISSION

South Coast District Office
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Long Beach, CA 90802-4325
Voice (562) 590- 5071



Th14h

5-20-0397 (SVBSM LLC)

February 11, 2021

EXHIBITS

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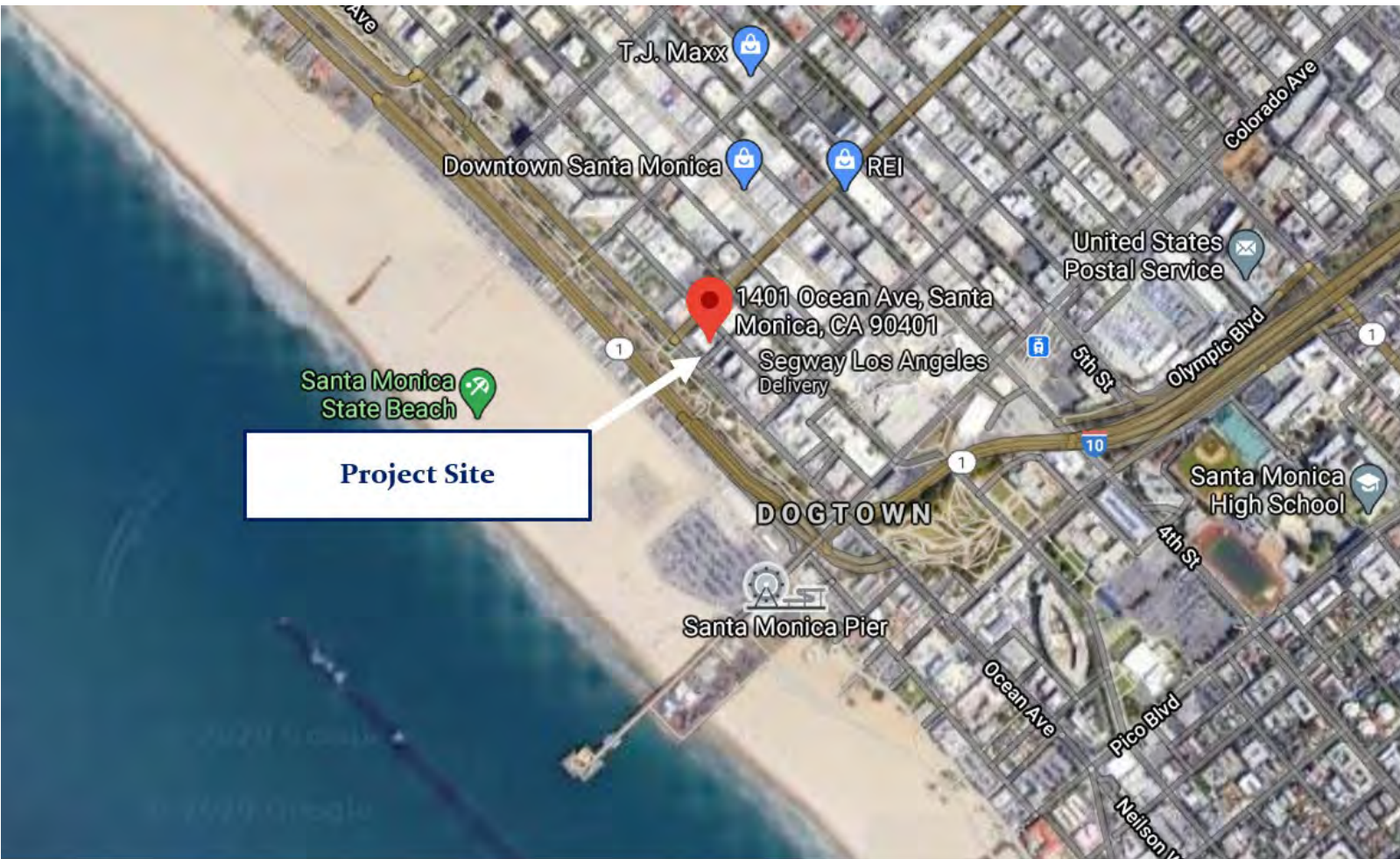
Exhibit 1 – Vicinity Map and Project Site

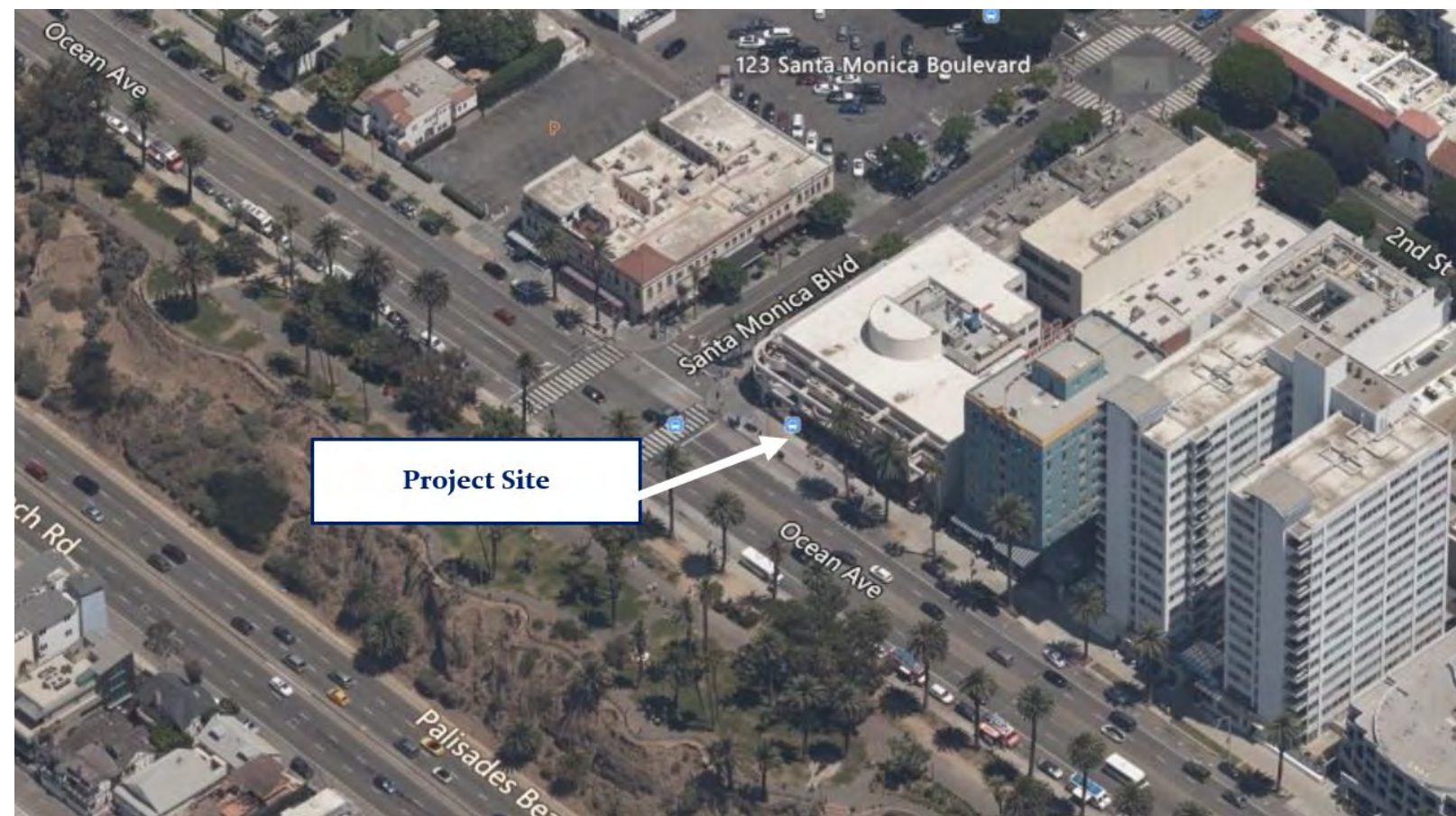
Exhibit 2 – Project Plans

Exhibit 3 – Applicant’s Commitment to Non-Discrimination

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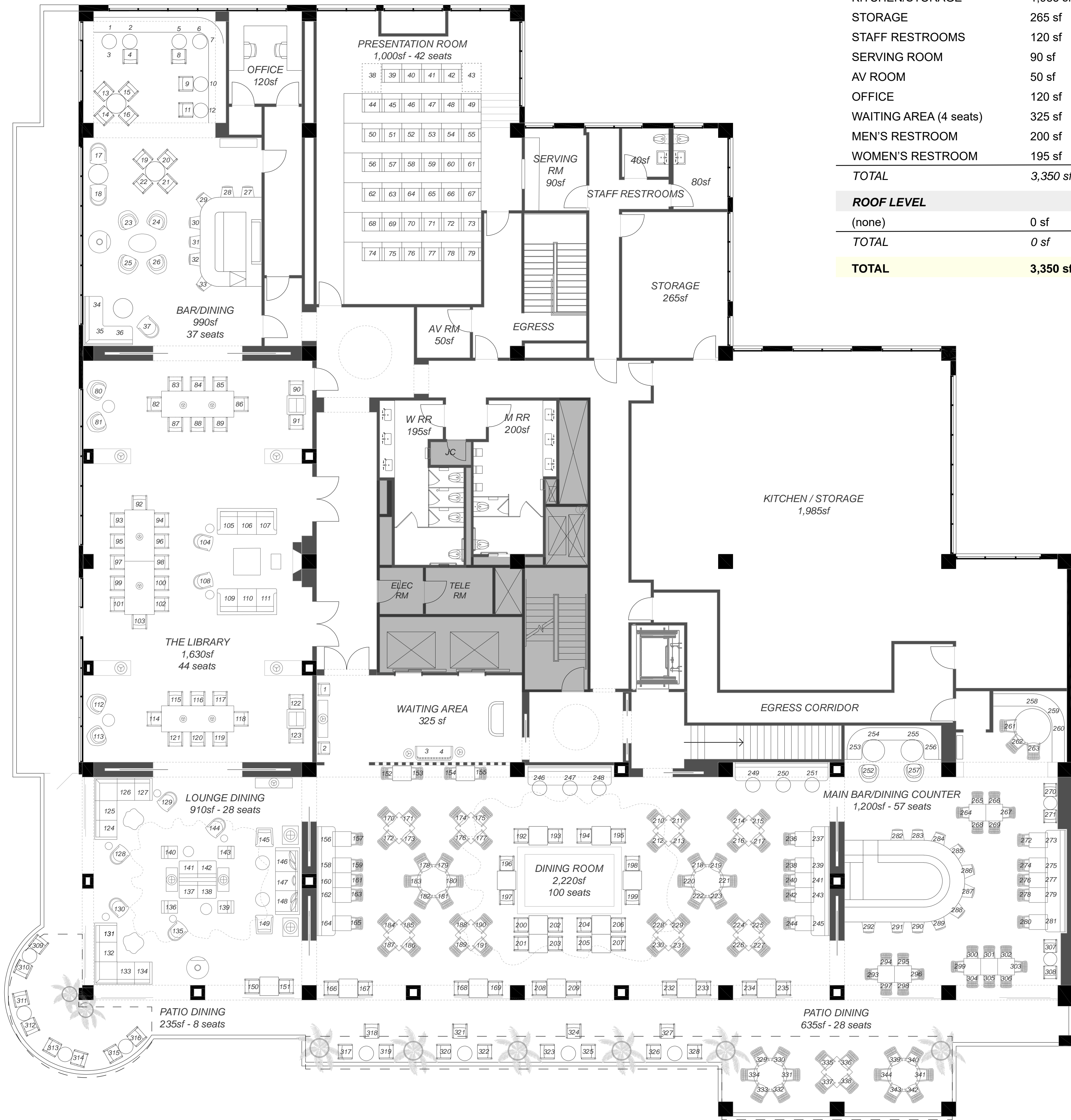
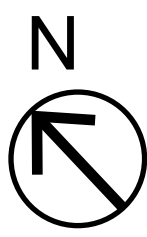


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SVB - SANTA MONICA
TEST FIT
LEVEL 3

July 2020

1/8" = 1'-0"



TOTAL 3RD FLOOR DINING
& NON-DINING TENANT SPACE: 12,170 sf
344 dining seats

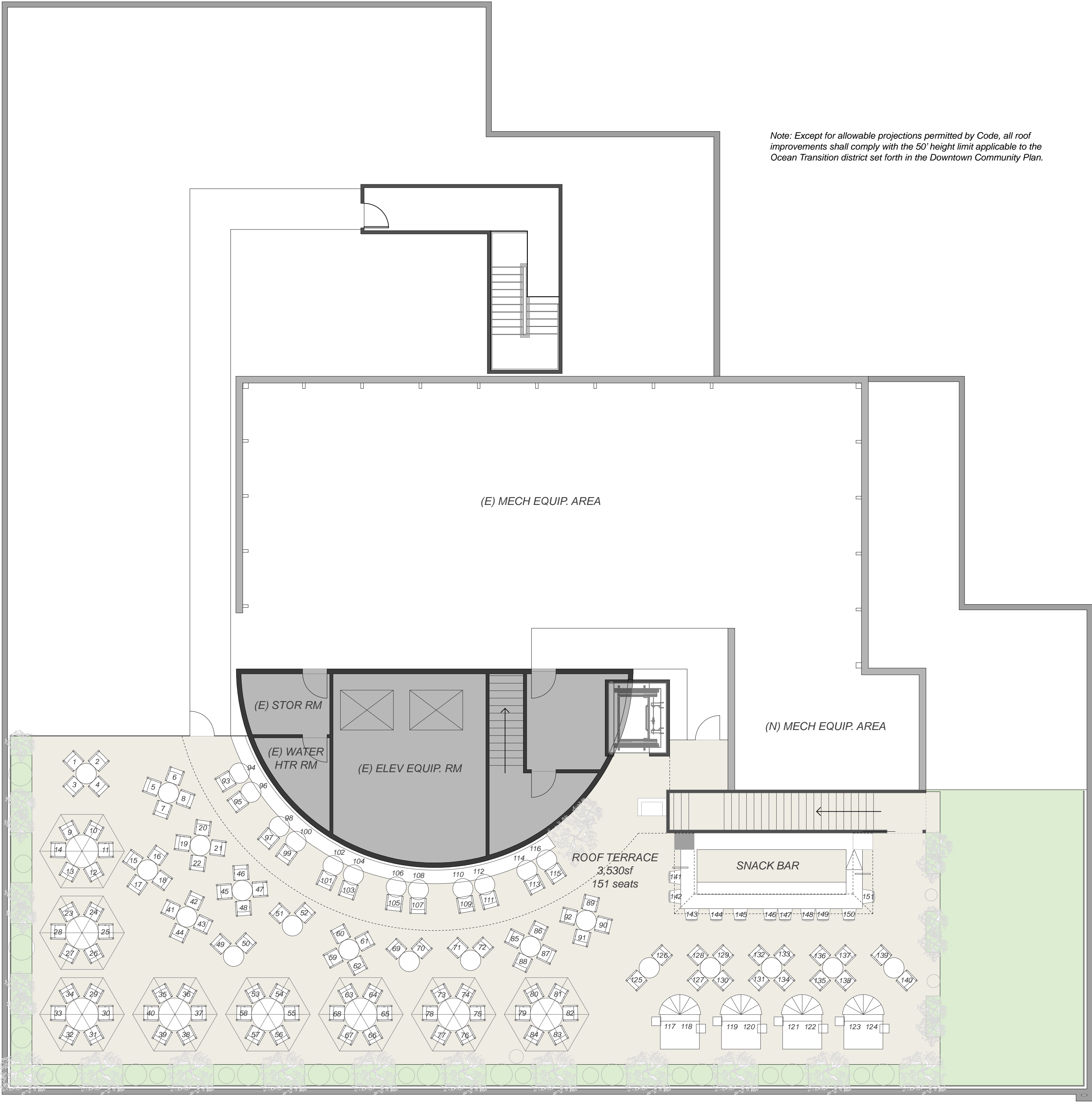
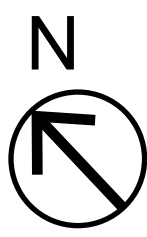
DINING AREA CALCULATIONS:		
THIRD FLOOR		
BAR/DINING	990 sf	37 seats
PRESENTATION ROOM	1,000 sf	42 seats
THE LIBRARY	1,630 sf	44 seats
LOUNGE DINING	910 sf	28 seats
DINING ROOM	2,220 sf	100 seats
MAIN BAR/DINING COUNTER	1,200 sf	57 seats
PATIO DINING AREAS	870 sf	36 seats
TOTAL	8,820 sf	344 seats
ROOF LEVEL		
ROOF TERRACE DINING	3,530 sf	151 seats
TOTAL	3,530 sf	151 seats
TOTAL (3RD FLOOR + ROOF)	12,350 sf	495 seats

NON-DINING AREA CALCULATIONS:		
THIRD FLOOR		
KITCHEN/STORAGE	1,985 sf	
STORAGE	265 sf	
STAFF RESTROOMS	120 sf	
SERVING ROOM	90 sf	
AV ROOM	50 sf	
OFFICE	120 sf	
WAITING AREA (4 seats)	325 sf	
MEN'S RESTROOM	200 sf	
WOMEN'S RESTROOM	195 sf	
TOTAL	3,350 sf	
ROOF LEVEL		
(none)	0 sf	
TOTAL	0 sf	
TOTAL	3,350 sf	

SVB - SANTA MONICA
TEST FIT
ROOF LEVEL

July 2020

1/8" = 1'-0"



TOTAL ROOF LEVEL DINING
& NON-DINING TENANT SPACE: 3,530 sf
151 dining seats

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Exhibit 2
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HARDING LARMORE KUTCHER & KOZAL, LLP
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November 23, 2020

VIA U.S. MAIL AND EMAIL

Christine Pereira, Coastal Analyst
301 E. Ocean Blvd., Suite 300
Long Beach, CA 90802
christine.pereira@coastal.ca.gov

Re: 1401 Ocean Avenue Membership Restaurant
Waiver No. 5-20-0397
Our File No. 22587.001

Christine,

In addition to providing the parking information that you requested, we wanted to address Coastal Staff's apparent concerns regarding the membership aspect of the proposed restaurant at 1401 Ocean Avenue, Santa Monica. As we previously discussed, the membership fee will not be so prohibitively high that only the very wealthy can join. And the owner has every intention of providing an inclusive environment that encourages a diverse membership base.

In fact, the foundational motivations behind establishing this membership restaurant were to create a community where all people are treated equally regardless of sexual orientation, gender, race, age or other affiliation, and to minimize financial barriers to entry. The owner is a prominent and active member of the LGBTQ community and fervently opposed to discrimination of any sort. He also has first-hand experience of the discriminatory practices of other membership organizations.

Our client has had experience inquiring about joining other membership organizations in Coastal areas that include members-only restaurants but found the exorbitantly high membership fees to be cost prohibitive. And in some instances, he also experienced subtle anti-gay sentiments. This experience sparked the owner's desire to establish a membership restaurant for people like him (i.e. not only for very wealthy and straight people). His idea evolved into the proposed project that you see before you today - an affordable membership restaurant that is representative of the community, including all sexual orientations, genders, races and ages. It is expected that the restaurant will include a diverse membership base of around 5,000 members. Members will be encouraged to bring guests to the restaurant. This will greatly increase the number of people who will be able to experience the restaurant and enjoy ocean views well beyond only the members.

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Moreover, the owner plans to use the restaurant to support local nonprofits and marginalized groups by providing a gathering space (with views of the Pacific Ocean) for these groups free of charge.

A few of the approaches that the owner will implement to facilitate inclusivity and enhanced Coastal access by a diverse population are detailed below:

1. **Inclusivity and Nondiscrimination.** The owner intends to create an inclusive environment that attracts members from all communities regardless of sexual orientation, gender, race, age or other affiliation. The owner and management intend to enforce a zero-tolerance discrimination policy at the restaurant in order to create a safe space for its members who will know that all communities are accepted and supported therein. Members and restaurant employees will be required to review and sign a policy committing to non-discriminatory behavior before membership or employment, respectively, will be granted. Any discriminatory behavior will be grounds for termination of membership or employment, as applicable.
2. **Inclusive Membership.** There will be a committee of member-peers who will focus on creating a diverse membership so that all groups are represented regardless of sexual orientation, gender, race, age or other affiliation. And the membership fee will not be so high that only the wealthy can join nor will it be so high as to effectively prohibit access by any one community.
3. **Discounted Memberships.** As membership restaurants tend to attract older individuals, there will be discounted membership rates for younger members to encourage membership of all ages. It is expected that membership dues for persons under 35 will be only a few hundred dollars per month, although no price point has been established at this point. The owner is also exploring ways to encourage membership by lower-income individuals who do not have significant discretionary income.
4. **Enhanced and Diversified Access to the Coast.** Instead of providing Coastal access to the same office employees each day, the restaurant will provide Coastal access with views of the Pacific Ocean to different people each day. Moreover, members are allowed to bring any guests that they want to the restaurant. As a result, Coastal access by a diverse population will increase exponentially, in line with anti-discrimination and Coastal Act policies.

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5. **Charitable Contributions Providing Access to the Coast.** Once a month, the owner will “donate” restaurant space to local non-profits by offering use of the restaurant space free of charge. Marginalized groups will be specifically targeted to receive this donation, but all non-profits will be eligible. Moreover, none of the non-profit-donee’s members will be required to have a restaurant membership to use the space.

The owner is committed to creating an inclusive environment for all communities to enjoy. The above policies and practices will help attract members of all sexual orientations, genders, races, ages, etc. As the process moves forward the owner is actively developing ways to support inclusivity into the business model whenever feasible. The proposed restaurant will fulfill a fundamental policy of the Coastal Act as it will enhance access to the Coast for a diverse range of people.

We also wanted to address your question of whether the restaurant could be a traditional restaurant instead of a membership restaurant. The conversion of the third floor and part of the rooftop into a restaurant involves a significant expense that would not be financially feasible without membership revenue to help defer the necessary capital investment. Our client does not believe it would be economically feasible to convert this space pursuant to a traditional restaurant capitalization model. As such, the membership aspect of the restaurant is necessary, but the owner intends for the membership restaurant to be as inclusive as possible.

We hope that this information alleviates Coastal Staff’s concerns with respect to exclusivity. Do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bonnie E. Wheeler', with a long horizontal line extending to the right.

Bonnie E. Wheeler

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December 14, 2020

VIA U.S. MAIL AND EMAIL

Christine Pereira, Coastal Analyst
301 E. Ocean Blvd., Suite 300
Long Beach, CA 90802
christine.pereira@coastal.ca.gov

Re: 1401 Ocean Avenue Membership Restaurant
Waiver No. 5-20-0397
Our File No. 22587.001

Dear Christine,

This letter responds to your email request for additional information related to the membership fees and policies for the proposed membership restaurant at 1401 Ocean Avenue. Please note as we have indicated before, our client is part of the LGBTQ community and therefore is committed to taking diversity, equality and inclusion ("DEI") issues very seriously and follows through with this commitment in his business practices. This letter outlines policies our client will commit to in this regard.

But at the same time our client must be able to operate his business in a fiscally responsible manner. And as discussed below, we are concerned about the legality of conditions that could be deemed imposing commercial price controls, especially when similar economic restrictions do not seem to be imposed on other membership organizations.

A. Policies and Requirements to Promote Membership Diversity

Our client desires to work cooperatively with Coastal Staff to address Staff's concerns and can voluntarily commit to the below:

Diverse and Anti-discriminatory Community

1. To foster a diverse community, the restaurant will seek members from all backgrounds, races, ages, orientations, etc. and those with diverse talents, perspectives and ideologies.

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2. The restaurant will strive to create a diverse membership base that includes all sexual orientation, gender identities, races, ages or other affiliations. The restaurant will also aim to create a membership base with a significant number of persons identifying as female.
3. The owner and management will enforce a zero-tolerance discrimination policy at the restaurant. Members and restaurant employees will be required to review and sign a policy committing to non-discriminatory behavior before membership or employment, respectively, will be granted. Any discriminatory behavior will be grounds for termination of membership or employment, as applicable.
4. The restaurant's membership advertisement will be sent to a diverse range of local groups, including minority groups.

Increased Coastal Access

5. Members can bring any guests to the restaurant any time they want.
6. Employees will be permitted to dine at the restaurant without obtaining memberships, subject to availability.
7. Once a month, the owner will "donate" restaurant space to local non-profits and minority groups by offering use of the restaurant space free of charge. Minority groups will receive priority for this donation. None of the donee's members will be required to have a restaurant membership to qualify.

Affordable Membership Dues

8. In lieu of financial membership dues, "in-kind" payments will be available for those with contributory skills. For example, instead of paying membership dues, a singer could perform one night each month, or a DJ could play one night a month, or an artist could donate a piece of artwork, etc.
9. Discounted membership rates for persons under the age of 35 years will be offered and posted on the restaurant's website.

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10. Membership dues will not be so high that only the wealthy can join nor will they be so high as to effectively prohibit access by any one community.

At this time the restaurant does not know the precise membership fees because: (i) the lease has not been fully negotiated, (ii) the conversion of an upper-floor office space into a restaurant is a difficult and expensive undertaking that will likely require significant modifications and upgrades to meet building code standards, and (iii) full build-out plans have not been generated. All of these equate to unknown costs that are essential to determining future membership dues. As such, it is impossible to provide a specific membership rate at this time.

However, it is tentatively expected that the membership fee will be within the approximate range of \$150-\$350 per month. This is consistent with the range of other membership establishments in the area.

For example, our research indicates that Equinox gym currently charges between \$235-\$300/month in the area. But Equinox also charges an initiation fee, which we understand was \$500 as of 2019¹. Assuming the same rate is still in effect, this would bring the average monthly cost to between \$277-\$342.

Additionally, SoHo House membership fees during the current pandemic (when membership acquisition is likely low) are between \$175-\$267/month. However, according to internet archives², membership fees ranged between \$167-\$392/month from at least 2016 to 2017 with an additional \$150-\$300 registration fee in 2016.

B. Practical Considerations

When reviewing the conditions our client is proposing with respect to DEI policies we respectfully request that Coastal Staff keep in mind the following points.

¹ Business Insider, *Is an Equinox Membership Worth It?*; <https://www.businessinsider.com>

² Internet Archive Wayback Machine; July 20, 2019; <http://web.archive.org>.

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If this were simply a traditional restaurant no DEI conditions would be imposed.

We are not aware that the Coastal Commission requires restaurants to have, for example, special menus or pricing for lower-income patrons, or certain days when lower prices will be available to lower-income individuals. Nor does it attempt to enforce social diversity of restaurant patrons by dictating who can dine at such restaurants.

Our client's membership restaurant will provide coastal access to approximately 5,000 members, their guests and employees. The owner has already committed to implement policies to promote inclusivity and attract a diverse membership base. And our client voluntarily offers to donate the restaurant once a month to local nonprofits. This is much more than traditional restaurants are doing in the realm of social justice.

Other membership uses, such as gyms, are not required to provide discounted memberships or other DEI policies.

We understand that the Coastal Commission also does not require membership gyms to offer low-income membership fees or free days for low-income individuals. Nor does it obligate membership gyms to obtain a diverse membership base.

Given the above we believe it would be discriminatory for the Coastal Commission to impose price restrictions on membership fees for our client's proposed membership restaurant. However, if you have any concrete examples of precedence when the Coastal Commission has imposed commercial price controls or diversity requirements on restaurants in the past, we would be happy to review such examples.

If our client does not proceed with the membership restaurant, it is likely the space will simply be used as a high-end office for a limited number of persons.

The building owner has indicated they have a potential law firm tenant lined up to take the space if our client does not proceed. Thus, it is not the case that if our client's membership restaurant does not go forward, the space could be used for some other coastal visitor-serving use. As noted previously, given the high capital costs to convert this upper-floor space to a restaurant our client doubts the economics make sense to operate a traditional restaurant. (And even if a traditional restaurant were an option, as noted above, it would not provide any of the DEI policies our client is proposing.) Thus, the most likely other use for this space will simply be another office tenant, which will not advance coastal access goals.

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C. Legal Concerns

We are also concerned that any additional conditions would overreach the Coastal Commission's jurisdiction under the Coastal Act.

We are unaware of anything in the Coastal Act that establishes the authority to set membership fees for restaurants in the Coastal Zone. Moreover, commercial price controls are generally prohibited by State law. (Cal. Civil Code § 1954.27.) As such, the Coastal Commission may not enforce commercial rent controls or dictate who can hire commercial properties in the Coastal Zone. *Id.* We assert that to do so would be arbitrary and unreasonable and violate due process.

Although our client understands that the Coastal Commission seeks to encourage social justice policies and agrees with such motives, if the Coastal Commission were to require the membership base or daily patron composition to have a minimum diversity requirement for certain classes of people we assert it would violate the equal protections.

D. Conclusion

In consideration of the aforementioned, we believe our client has offered generous DEI policies that go beyond what any other restaurant or membership organizations such as a gym would provide. We respectfully request that Staff move forward with a recommendation of approval for this item on the January consent agenda.

Please let me know if you have any questions or would like to discuss further. We appreciate your continued diligence and attention to this matter.

Sincerely,



Kevin V. Kozal

**Attachment to Coastal Commission Waiver Application No. 5-20-0397
Proposed Use of Facilities by Non-Profit Entities**

Introduction:

SVBSM, LLC (the "Restaurant") supports the Coastal Commission's goal of promoting environmental justice and recognizes the Coastal Act's mandate to maximize public access to the Coast and to protect, encourage, and provide lower cost visitor and recreational facilities. (See, e.g., Pub. Res. §§ Code 30001.5, 30210, §§ 30213.) In recognition of these goals and mandates, this document provides proposed guidelines that would allow non-profit entities to reserve and utilize event space at the Restaurant at no-cost. This document also proposes outreach strategies that would help ensure that this program is utilized.

Procedures to Use Facilities:

- Non-profit entities shall be able to reserve and use the Library Room within the Restaurant at no cost (i.e., without a site rental or booking fee) for events on Sunday evenings, provided that the Library Room has not already been reserved for that time.
- In addition, subject to requests by non-profits(s), at least once a month, the Restaurant shall make the Library Room available for an additional day or evening. The Restaurant shall work cooperatively with the non-profit(s) to find a day and time that is mutually agreeable to both parties. With the Sunday evenings and additional day this will be up to 5 times (or 6 times in months with 5 Sundays) a month that space will be made available to nonprofits.
- Upon the request of a non-profit, the Restaurant, in its sole discretion, may make different or additional rooms or areas available for a non-profit event at no cost (i.e., without a site rental or booking fee).
- The Restaurant reserves the right to require reservations by non-profits to be made a reasonable time in advance and to place reasonable restrictions on how far in advance reservations can be made. The Restaurant may require non-profits to follow its customary procedures, policies, and limitations on booking events.
- In the interest of making the Restaurant accessible to as many persons and groups as possible, the Restaurant shall prioritize reservations for non-profits that have not reserved the Restaurant facilities in the preceding two-months.

Marketing & Outreach:

- The Restaurant's direct marketing team shall explain to non-profits in Santa Monica and West Los Angeles about its non-profit program.
- The Restaurant shall inform the community about the program for non-profits by periodically distributing information about the program to Downtown Santa Monica, Inc. and the Santa Monica Chamber of Commerce.

MEMORANDUM

To:	Coastal Commission Staff	Date:	August 20, 2020
From:	David S. Shender, P.E. Linscott, Law & Greenspan, Engineers	LLG Ref:	5-20-0514-1
Subject:	Parking Demand Study for the Proposed Restaurant Project at 1401 Ocean Avenue City of Santa Monica		

This memorandum has been prepared by Linscott, Law & Greenspan, Engineers (LLG) to provide a comprehensive vehicle parking study related to the proposed third floor/roof restaurant project at 1401 Ocean Avenue in the City of Santa Monica (“the Project”). Specifically, the Project will convert the third floor and roof area of the existing Portofino Plaza building into restaurant use. This parking study is intended to provide information to Coastal Commission staff regarding the number of vehicle parking spaces needed to adequately serve the Project and concludes that there will be sufficient parking to meet the Project’s future demand.

Project Description

The Project is located at 1401 Ocean Avenue (the “Project Site”) in the City of Santa Monica, which is in the City’s Downtown area. The Project will convert the third floor and roof area of the existing Portofino Plaza building into restaurant use. The third floor was previously used for office space. The third floor and roof area will total 15,700 square feet with 12,350 square feet of restaurant service/dining area (8,820 square feet on the third floor and 3,530 square feet on the roof level).

The Portofino Plaza building includes restaurant uses on the first floor and the vacant second floor is situated for use as office space. The building provides 209 parking spaces on-site in a subterranean garage. Parking operations include self-parking, as well as valet attendant parking services offered from Ocean Avenue, generally during the hours of operation of the on-site restaurants.

The on-site parking supply provided at the Project is in compliance with Section 9.28 of the Santa Monica Municipal Code which stipulates that off-street parking is not required for projects located in the City’s Downtown Community Plan area. The City has determined that there is a substantial reservoir of unused parking spaces in the Downtown and the Draft Land Use Plan, Final Draft dated October 2018 (“**Draft LUP**”) mirrors this finding by providing that no additional parking is required for projects in the Downtown. Accordingly, this parking analysis has been prepared to assess parking supply adequacy because the Draft LUP has not been certified by the Coastal Commission yet.

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San Diego
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Parking Analysis Overview

Parking counts taken during the current global pandemic would be unrepresentative of typical parking demand. Therefore, this report utilizes parking counts for the Portofino Plaza taken in 2012 to predict future parking capacity. However, it should be noted that the 2012 parking counts fail to capture the decreased use of private vehicles based on significant changes of modes in transportation and infrastructure improvements since then and 20 parking spaces have been added to the building via restriping and reconfiguration of the parking garage.

Moreover, because the City and the Draft LUP both require no additional parking for this change of use, this analysis looks to the City's generally applicable parking standards for guidance on the potential parking demand generated by the Project's change of use from office to restaurant. While the projected demand based on these parking ratios may be instructive, it should be emphasized that these standards were adopted in 2015, two years before the City eliminated parking minimums in the Downtown based on its conclusion that no additional parking was needed in 2017. Therefore, it is expected that the Project's actual parking demand would be lower than the projections based on the Citywide standards.

Overall, we conclude that the parking supply provided at the Project Site will meet the Project's anticipated demand for parking, and the City's parking structures will support any overflow parking, although not expected.

Downtown Parking in the Downtown Community Plan and Draft LUP

The Project is located in the City's Downtown. In 2017, the City Council adopted the Downtown Community Plan, which replaced parking minimum requirements with allowable maximums in the Downtown so that projects could provide some parking but would not be required to build unnecessary additional parking. The rationale behind this change was that the Downtown already had a significant availability of unused parking spaces. And, this policy also sought to ensure that Projects would not develop more parking than needed given the societal and technological advancements of transportation infrastructure and services, and the reduced reliance on private automobiles.

The City's Draft LUP proposes to mirror the Downtown Community Plan by eliminating additional parking requirements for Downtown projects. ([Draft Land Use Plan, Final Draft, October 2018](#), Policy 20 at page 108). As discussed in the Draft LUP, Policy 20 was based on the City's parking study, which demonstrated the existing underutilized parking supply in the Downtown (including 5,600 public parking spaces and a larger reservoir of more than 11,000 privately-owned spaces that could be shared). ([Draft Land Use Plan, Final Draft, October 2018](#) at page 49.)

Parking Demand Considerations

Because the Project is in Santa Monica's Coastal Zone and the City of Santa Monica does not have a certified Local Coastal Program Implementation Plan with parking ratios approved by the Coastal Commission, the Coastal Commission may look to the parking ratios in its *Regional Interpretive Guidelines, South Coast Region Los Angeles County* adopted in October 1980 (the "1980 Coastal Commission Guidelines"). The 1980 Coastal Commission Guidelines are to "be used in a flexible manner with consideration for local and regional conditions, individual project parameters and constraints and individual and cumulative impacts on coastal resources." (See *Regional Interpretive Guidelines, South Coast Region Los Angeles County* at p. i).

The 1980 Coastal Commission Guidelines include parking guidelines of one parking space for every 250 square feet of office floor area and one parking space for every 50 square feet of restaurant service area. Because these guidelines are extremely outdated and unrepresentative of actual parking demand in 2020 (forty years later), our analysis focuses on the City's parking requirements, which are based on recent studies of the observed parking situation in Santa Monica.

In reviewing various Santa Monica projects, Coastal Commission Staff Reports have supported approval of projects that supply less parking than would otherwise have been calculated using the parking ratios table contained in the 1980 Coastal Commission Guidelines. In these circumstances, the Coastal Commission has relied upon parking demand studies to approve deviations from the parking standards contained in the 1980 Coastal Commission Guidelines.

The 1980 Coastal Commission Guidelines were published nearly 40 years ago; changing trends in commercial parking demand have resulted in a significantly lower parking demand than reflected in the 1980 Coastal Commission Guidelines. Specifically, the 1980 Coastal Commission Guidelines have not been revised to account for societal and technological advancements – transportation infrastructure improvements, expansion and diversification of transportation services, and current land use and transportation policies which reduce the reliance on private automobiles, and by extension, the parking supply required to serve development projects, notably within the Coastal Zone of the City of Santa Monica. Examples include:

- Increased Public Transit Services. The Project site is well served by local public transit provided by Metro and Santa Monica Big Blue Bus. Much of this public transit service was not available when the 1980 Coastal Commission Guidelines were adopted. Examples include:

- Metro's Expo Line light rail service, including the Downtown Santa Monica station located less than a half-mile from the Project Site at 4th Street and Colorado Avenue;
 - Metro's Rapid and local transit bus service, including a stop immediately adjacent to the Project Site (Routes 4/704, 33/733, and 534); and
 - Santa Monica Big Blue Bus service, including a stop immediately adjacent to the Project Site (Routes BBB8 and BBB9 with frequent service throughout the day).
- Enhanced Infrastructure and Policy for Bicyclists. The Project site is served by newer infrastructure that facilitates travel by bicycle which was not available when the 1980 Coastal Commission Guidelines were adopted. In addition, the City recently imposed requirements on development projects to mandate on-site bicycle parking for employees. Specific examples include:
 - Dedicated bike lanes on local streets such as Ocean Avenue and Second Street to facilitate safe travel for bicycles;
 - Requirements for development projects to provide bicycle parking spaces; and
 - Recent implementation of local bike share programs that allow Project employees and visitors to rent bicycles, including the Santa Monica Bike Center at the northeast corner of the Second Street/Colorado Avenue intersection.
 - Shared Ride Services. Shared ride services have been developed since the adoption of the 1980 Coastal Commission Guidelines which allow residents, customers, and visitors to travel by a vehicle without car ownership. Examples of these highly convenient services include Uber/Lyft for individual rides, as well as Zipcar for multiple and/or extended trips.
 - Increased Density to Facilitate Walking Trips. Since the adoption of the 1980 Coastal Commission Guidelines, increased development has occurred within the Coastal Zone portion of Santa Monica which encourages and allows for walking trips. The company Walk Score grades the Project site at 91 (out of 100) which is described on the company's website as: "Walker's Paradise – Daily errands do not require a car."

There is a multitude of office, residential, commercial, and recreation/tourist uses along Ocean Avenue, Santa Monica Boulevard, Second Street, etc. from which the Project is expected to draw a significant number of walk-in patrons.

- Shared Mobility Services. Since the adoption of the 1980 Coastal Commission Guidelines, shared mobility devices have become widely available in the City of Santa Monica and surrounding areas. These include bikes, electric bikes, and electric scooters that are shared among users and enabled by technology such as a mobile app. These shared mobility devices provide alternative options for commuting and first/last mile connections complementing public transit options (e.g., Big Blue Bus and Light Rail). The 1980 Coastal Commission Guidelines have not been updated to consider the reduced parking demand associated with the use of shared mobility devices in areas with dense availability and use of these devices.

As detailed above, there have been significant changes with respect to services and infrastructure, as well as local government policies and mandates which have substantially reduced the need for a personal automobile, and thus, the number of parking spaces required for development projects.

Documentation of these changes and the resulting parking demand factor are provided in the following section.

Parking Demand Study

The parking ratios provided in the Santa Monica 2015 Zoning Ordinance were adopted by the City Council in July 2015 as part of a comprehensive Zoning Ordinance Update. In conjunction with the Zoning Ordinance Update, the City conducted extensive review and research with respect to appropriate parking ratios to apply to new development projects. Part of this effort included retention of the planning firm Nelson Nygaard to provide recommendations to the City with respect to parking demand ratios.

Nelson Nygaard issued a draft report in January 2013¹ (the “Nelson Nygaard report”) containing the following:

- A literature review of parking ordinances in other areas similar to the City of Santa Monica, including within the Coastal Zone;

¹ *Parking Zoning Ordinance Update – Draft Report*, Nelson Nygaard, January 2013.

- A review of empirical parking demand data that had been recently collected in the City of Santa Monica; and
- Recommendations for updated parking ratios for development projects based on their study of this information.

It is noted that the Nelson Nygaard report provides recommendations with respect to parking ratios in conjunction with the City's Zoning Ordinance Update process. However, the 2015 Zoning Ordinance does not address the Downtown Community Plan area. We believe that the Downtown Community Plan and Draft LUP's zero parking requirement in the Downtown is appropriate. Nevertheless, for the purposes of this study, we have assumed that the parking ratio recommendations provided by Nelson Nygaard are instructive for the office and restaurant uses with the caveat that Downtown parking demand is expected to be lower.

The Nelson Nygaard report provides recommended parking ratios for development projects based on its literature review and parking demand data collection. Per Figure 3-6 of the Nelson Nygaard report, a parking ratio of one space per 1,000 square feet of office space and one space per 300 square feet of restaurant space are recommended in the "transit-oriented and mixed-use zone", which is adjacent to the Downtown Community Plan. It is reasonable to foresee that if Nelson Nygaard had been asked to provide a recommended parking ratio for office and restaurant uses in the Downtown Community Plan area, the parking ratios would have been no greater than the ratios recommended for the transit-oriented and mixed-use zone (and possibly lower).

As previously noted, the existing third floor currently provides 12,170 square feet of office floor area. The Project will provide 12,350 square feet of restaurant dining area.² Accordingly, application of a parking ratio of one space for each 1,000 square feet of office floor area and one space for each 300 square feet of restaurant floor area would result in 12 parking spaces for the existing office use and 41 parking spaces for the proposed restaurant use. On a net basis, the City's Citywide parking standards would predict that the Project would generate the need for 29 additional parking spaces.

However, when considering time-of-day parking demand, the restaurant use would likely only ever generate the need for all 41 parking spaces, if ever, during weekday evenings and on weekends. And, it is expected that parking demand generated by the future second-floor office space would be significantly less during these times.

² City of Santa Monica Emergency Interim Zoning Ordinance (Santa Monica Ordinance 2637 (ccs)) provides that only restaurant dining area counts for purposes of parking calculations.

Parking Supply

As discussed below, the Project may generate the demand for 29 additional parking spaces. The Project does not propose to add parking spaces to the existing subterranean parking structure at the Project Site. However, as documented below, there are unused parking spaces available at the Project Site. In addition, if needed, there is a reservoir of excess parking spaces at nearby public parking facilities.

On-Site Parking

LLG has been informed by building ownership that there are currently 209 parking spaces at the Project Site. During the current COVID-19 pandemic, it is not practical or representative of “typical” conditions to conduct parking utilization counts at the Project Site at this time. However, LLG previously conducted parking utilization counts at Portofino Plaza in March 2012 when there were only 189 parking spaces at the Project Site. Building ownership informed LLG that they restriped and reconfigured the garage since the parking counts were taken. The parking counts were conducted on a Thursday, Friday and Saturday in March 2012, beginning at 11:00 a.m. and ending at 11:30 p.m. The parking availability counts listed below have been appropriately adjusted to include the 20 additional parking spaces that would be available today. Furthermore, it should be underscored that several significant changes with respect to alternate modes of transportation and infrastructure (discussed above) have occurred since then. So, parking utilization counts taken today, during normal conditions, would be expected to be even lower.

Based on the parking utilization data, the Portofino Plaza generally experiences two types of peak demand: 1) a weekday afternoon peak primarily related to the office uses within the building; and 2) an evening peak demand primarily related to local restaurants.

A summary of the peaks and the number of available parking spaces at the Portofino Plaza building, including the 20 additional parking spaces currently in existence, is provided below:

- Thursday afternoon (1:30 p.m.): 82 spaces available
- Thursday evening (7:30 p.m.): 99 spaces available
- Friday afternoon (2:00 p.m.): 99 spaces available
- Friday evening (8:00 p.m.): 69 spaces available
- Saturday evening (7:30 p.m.): 47 spaces available

Based on the data above, the Portofino Plaza building has adequate parking availability to accommodate any incremental increase in parking demand that may be generated by the Project (e.g., approximately 29 spaces) during weekdays and weekends as represented by the observed parking demand on Thursday, Friday, and Saturday.

Furthermore, the parking space availability listed above does not account for the additional parking capacity within the Portofino Plaza garage that can be accommodated through the use of storing vehicles in the drive aisles by the valet parking attendants. And, the 2012 parking utilization data does not reflect factors that have likely substantially reduced parking demand at the Project Site, such as the construction of the Metro Expo Line (completed in 2016), as well as the expanded use of shared ride services such as Uber and Lyft. Therefore, it is anticipated that the additional demand for parking that may be generated by the Project will be adequately be accommodated within the existing on-site parking supply.

Available Nearby Parking Resources

In addition to on-site parking supply at the Portofino Plaza building, there are public parking resources in close proximity to the Project Site. For example, the City of Santa Monica Parking Structure 4 is located at 1321 Second Street and Parking Structure 6 is located at 1433 Second Street. Parking Structure 4 provides 652 parking spaces and Parking Structure 6 provides 747 parking spaces.

Parking utilization collected by the City was reviewed which showed the parking space availabilities on Thursdays and Saturdays in August 2015. The data is summarized in the table below.

Parking Space Availabilities City Parking Structures 4 and 6

Parking Structure	Capacity (spaces)	Parking Spaces Available			
		Thursday August 2015		Saturday August 2015	
		1:00 PM	4:00 PM	1:00 PM	4:00 PM
4	652	163	196	248	78
6	747	433	441	381	202
Total	1,399	596	637	629	280

As shown in the table above, there is substantial parking availability within the two City parking structures located closest to the Project Site, including 280 spaces at 4:00 p.m. on a Saturday in August 2015.³ Notably, at any documented time, Parking Structure 6 alone, which is a 3 minute walk from the Project Site, could support predicted parking demand for the entire restaurant (e.g. approximately 41 spaces) and certainly any incremental increase in parking demand that may be generated by the Project (e.g., approximately 29 spaces).

Moreover, as a result of the current COVID-19 pandemic, City parking revenue, and therefore parking utilization, is currently only about 5-10% of typical levels, and the City projects that parking revenues will drop by more than 30% over the next few years. (City Council Staff Report on COVID-19 City Restructuring, May 5, 2020.) Increased telework, business closures and continued social distancing are all expected to negatively impact visitation to the City, and parking revenues/utilization may never recover to pre-COVID levels.

The effects of the global pandemic on parking utilization coupled with the improvements in transportation infrastructure and advancements in alternate modes of transportation make it likely that the availability of parking spaces in Parking Structures 4 and 6 would be even greater in the future. So, hypothetically in the instance that the on-site parking supply cannot adequately support demand, although highly unlikely, the deficit could be adequately accommodated at the nearby City parking structures.

Conclusion

The Project complies with the City of Santa Monica's Downtown Community Plan and the Draft LUP which do not require any on-site parking for commercial uses. Nevertheless, a parking demand study was prepared for the Project using parking ratios recommended by the 2014 Nelson Nygaard parking study. However, the parking demand for the Downtown is expected to be significantly lower than the ratios established based on this study. Our analysis concludes that the Project will provide sufficient parking on-site to meet the forecast parking demand, and there is ample parking supply available nearby within existing City parking structures if needed.

cc: File
Kevin Kozal

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³ As previously noted, the Metro Expo Line was completed in 2016. Therefore, the parking availabilities in the City parking structures are likely greater than the 2015 values reported in the table.



**MANI
BROTHERS**

October 8, 2020

VIA E-MAIL

Christine Pereira, Coastal Program Analyst
California Coastal Commission
South Coast District Office
301 E. Ocean Blvd. Ste. 300
Long Beach, CA 90802

Re: 5-20-0397 (1401 Ocean Avenue, 300, Santa Monica)

Dear Ms. Pereira:

I am a manager of Mani Brothers Portofino Plaza (DE) LLC, the owner of the property located at 1401 Ocean Avenue, Santa Monica, California ("Property"). The Property is improved with a three-story commercial building ("Building"), which is improved with ground floor restaurants and second and third floor office space.

As you are aware, the third floor and rooftop of the Building are the subject of a Coastal Commission waiver application (5-20-0397) filed by SVBSM LLC, which seeks to permit the conversion of these areas into a membership-based restaurant use. This letter provides information regarding the availability of parking at the Property, which I understand you have requested.

209 Space Parking Garage/Valet Company

The Building has a 209-space subterranean parking garage. In 2012 when a prior parking study was completed, the garage contained 189 spaces, but we restriped it in 2015 to include a total of 209 spaces. Since at least 2012, we have retained SP Plus Corporation to run a valet parking system at the Building to monitor and supervise parking in the garage. SP Plus maintains a valet booth along Ocean Avenue in front of the Building. Since the valet is primarily for the restaurants on the ground floor, the valet is available during lunchtime (approximately 11:00 am to 3:00 pm) and dinnertime (approximately from 5:00 pm until the restaurants close), however, anyone who is visiting the Building may utilize the valet. There is also an employee of SP Plus (i.e., a parking manager) who monitors the garage entrance and helps direct valet parkers and persons who self-park.

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MANI BROTHERS REAL ESTATE GROUP

As explained below, we provide 101 unreserved parking spaces for the second and third floor office tenant. There are not designated parking spaces in the garage for office, self or valet parking.

Existing Second & Third Floor Office Use

The second and third floor of the Building are currently leased to (and have historically been occupied by) office tenants. The current tenant, TrueCar, will vacate the third floor if the proposed membership-based restaurant use is approved. Although TrueCar still leases the second and third floors, due to the COVID-19 pandemic they are not actively occupying and using their office space.

The Building provides 101 unreserved parking spaces to TrueCar for the second and third floor offices. These are not assigned or designated spaces, but the parking manager (as noted above) monitors the garage and allocates parking spaces as needed. If TrueCar vacates the third floor and continues to use the second floor, then we will allocate 50 parking spaces to them instead.

In my experience, TrueCar employees and their visitors (and previous office tenants) park at the Building during normal business hours (i.e., 9 am to 5 pm Monday through Friday) and do not use their full allocation of parking spaces. Indeed, my impression is that even before the COVID-19 pandemic a significant portion, if not the majority, of the office tenant's 101 parking spaces went unused on any given day. I have never had any complaint from any office tenant that there were not enough parking spaces in the building.

Ground Floor Restaurant Uses

The ground floor of the Building consists of four restaurant tenant spaces which, until recently, were occupied by four restaurants (Robata Bar, Sushi Roku, the Water Grill, and Plan Check). One of those restaurants, Plan Check, recently went out of business. That tenant space is in the process of being reoccupied with a new restaurant tenant. Although visitors to the Property's restaurants have the option of self-parking in the Building's garage, in my experience, the large majority of restaurant patrons who drive to the Property use the Building's valet or park in the nearby City-owned parking garages (where the first 90 minutes is free). In general, my experience is that parking demand (both for valet and self-park) has decreased over the last few years as more and more restaurant patrons use alternative transit options that have become available, such as the Metro, Uber, and Lyft. I have never had a restaurant tenant/operator complain that there is not enough parking, whether for self-park or valet.

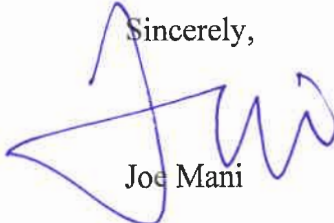
Overall Parking Usage

Linscott Law & Greenspan, Engineers prepared a parking analysis for the building in June 2012 that generally showed that at least 25 to 80 parking spaces were typically available in the garage depending upon the time of day and the day of the week (with the restriped additional 20 parking spaces this would have been 45 to 100 available spaces).

Linscott Law & Greenspan, Engineers has prepared an updated parking analysis for the membership-based restaurant. (See attached). I agree with the parking study's conclusion that

there is plenty of available parking for the existing uses and that there has been a drastic decrease in parking demand since 2012. I believe this is in large part to the alternative transit options that have become available, such as the Metro, Uber, and Lyft. These services provide patrons with the ability to get into and out of the Downtown quicker, and, if alcohol is going to be consumed, a safer way to and from their destinations.

If you have any questions, do not hesitate to reach me at the phone number or email address provided on this letter.

Sincerely,

Joe Mani



SP+ Corporation
3470 Wilshire Blvd #400
Los Angeles, CA 90010
(213) 488-3100

spplus.com | parking.com | bagsinc.com

October 7, 2020

VIA E-MAIL

Christine Pereira, Coastal Program Analyst
California Coastal Commission
South Coast District Office
301 E. Ocean Blvd. Ste. 300
Long Beach, CA 90802

Re: 5-20-0397 (1401 Ocean Avenue, 300, Santa Monica)

Dear Ms. Pereira,

I am the Senior Manager for SP Plus Corporation.

Our company has provided garage monitoring and valet parking services for the building at 1401 Ocean Avenue since well prior to 2012. The parking garage at the building has a total of 209 subterranean parking spaces. Previously the garage had 189 spaces but in 2015 the owner restriped it to include a total of 209 parking spaces, and if needed, we can fit an additional 30 vehicles in the garage with aisle parking and double parking by the valet staff.

As explained further below, there are always parking spaces available in the garage, even prior to the COVID-19 pandemic when the building was fully occupied by restaurant and office tenants.

Currently the building owner has assigned 101 of these parking spaces to the second and third floor tenant, TrueCar, as unreserved spaces when needed. The parking spaces in the garage are not separately designated for self-parking, valet or reserved for office users. Instead we monitor the garage and allocate parking spaces as needed by the restaurants and office and park cars accordingly.

We maintain a valet booth along Ocean Avenue. Most of the valet parking is for the ground floor restaurants, principally for Water Grill, Robata Bar and Sushi Roku. Valet is generally available during lunchtime (approximately 11:00 am to 3:00 pm) and for dinner (from approximately 5:00 pm until the restaurants close). We also maintain an employee at the entrance to the garage off of 1st Court Alley. This employee monitors the garage and helps direct valet parkers to available spaces.

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I understand that Linscott, Law & Greenspan Engineers prepared a parking count for the building in June 2012. This generally showed that at least 25 to 80 parking spaces were typically available in the garage depending upon the time of day and the day of the week. This is consistent with our experience in 2012. (And with the restriped additional 20 parking spaces this would have been 45 to 100 available spaces).

Since 2012, in our company's experience, parking usage at the building has steadily declined over the years and there is always available parking in the building. This decrease in demand is most likely due to new transportation options such as the Metro, Uber, and Lyft and also bike share options. Before the COVID-19 pandemic hit, I would say that most restaurant patrons either got dropped off by a ride share service or walked up to the entrances in lieu of paying to park in the garage.

Below is a summary of the valet parking numbers for the garage from January and February 2020, prior to the COVID-19 pandemic shutdown. These are averages only but show that on average the peak number of valet cars parked in the garage at any one time was 55.

January 2020	
Day & Period	Average Total # of Valet Cars
<u>Monday through Thursday</u>	
Daytime	20
Evening	32
<u>Friday and Saturday</u>	
Daytime	16
Evening	46

February 2020	
Day & Period	Average Total # of Valet Cars
<u>Monday through Thursday</u>	
Daytime	19
Evening	25
<u>Friday and Saturday</u>	
Daytime	20
Evening	55

As demonstrated by the charts above, the most recent valet parking numbers for the building show a very limited usage. This does not include the office users and visitors and members of the general public who self-park, but this number typically never exceeds 85 valet parked cars. I estimate during the business hours there is always at least 50 to 60 parking spaces available in the parking garage and during the evening hours when the office tenants are not using space there is typically between 100 to 120 spaces available at all times. The number of available parking spaces has slowly increased over the years since 2012. As noted above, in 2012 during the busiest times in the garage there were approximately 25 spaces available. More recently, and prior to the COVID-19 pandemic, I would approximate that there

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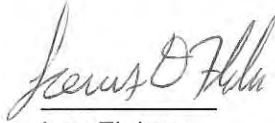
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were never less than 50 parking spaces available in the garage at the busiest times and many more during off-business hours and non-peak restaurant times.

Sincerely,



Lou Flokas
Senior Manager