

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
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**TU 10****STAFF REPORT: DEVELOPMENT AGREEMENT**

DATE: December 11, 2001

TO: Commissioners and Interested Persons

FROM: Deborah Lee, Deputy Director
Teresa Henry, South Coast Area Office District Manager
Al Padilla, Coastal Program Analyst

SUBJECT: Public Hearing and Commission Action on a Development Agreement (#5-01-445) for the RAND Corporation located at 1700 Main Street, Santa Monica, County of Los Angeles (For Public Hearing and Commission Action at the January 7-11, 2002 Commission meeting in Los Angeles)

SUMMARY OF STAFF RECOMMENDATION:

Staff is recommending that the Commission APPROVE the development agreement as submitted. The proposed development agreement is in conformity with the Chapter 3 policies of the Coastal Act and with the Commission's action on CDP No. 5-01-196 and 5-01-209, approved in November 2001.

STAFF NOTE:

On November 13, 2001, the California Coastal Commission granted two permits for the site. The first permit was to the City of Santa Monica, Coastal Development Permit 5-01-209, for the demolition of a two and five story, 295,000 square foot institutional use building, and two vacant and former apartment buildings, and improvements for temporary parking for use by the RAND Corporation during construction. The second permit, Coastal Development Permit 5-01-196, was to the RAND Corporation, for development of a five-story, 69 foot high (as measured from centerline of frontage road), 320,409 gross square foot building for institutional use, over three levels of subterranean parking, providing 825 spaces; new public street (Vicente Terrace) connecting Main Street and Ocean Avenue; restriping of roadway lanes, and a public pedestrian walkway.

Although the development agreement purports to vest certain planning documents, those vested components pertain to local planning only and do not serve for local coastal planning (LCP) purposes under the Coastal Act, nor do they restrict what may or may not be approved under any subsequent coastal development permit. Thus, for any project that has not yet received Coastal Act authorization, the Development Agreement (DA) does not bind

the Commission (or local agency with a certified LCP and delegated authority) from conducting a full analysis pursuant to the Coastal Act and any applicable LCP in assessing whether to approve such projects. Since the development agreement imposes no restrictions on the applicable Coastal Act analysis, and any projects proposed in the future will be assessed pursuant to the dictates of the Coastal Act, the DA is not inconsistent with the Coastal Act.

ADDITIONAL INFORMATION:

Questions concerning the subject development agreement should be directed to Al Padilla, South Coast District Office, California Coastal Commission, 200 Oceangate, Suite 1000, Long Beach, CA 90802. (562) 590-5071.

I. STAFF RECOMMENDATION, MOTION AND RESOLUTION OF APPROVAL OF FINDINGS

MOTION: *I move that the Commission approve Development Agreement 5-01-445, as submitted.*

STAFF RECOMMENDATION OF APPROVAL:

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

APPROVAL OF DEVELOPMENT AGREEMENT

The Commission hereby **APPROVES** the development agreement on the grounds that the development, would be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, including the public access and recreation policies of Chapter 3, would 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 of the Coastal Act, and would not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

II. FINDINGS AND DECLARATIONS

The Commission hereby finds and declares:

A. Background and Content of Development Agreement

1. Contents of a Development Agreement

California Government Code Sections 65864-65869.5 authorizes any city, county, or city and county, to enter into a development agreement with any person having a legal or equitable interest in real property for the development of property owned by that entity. A development agreement specifies the permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes. According to Government Code Section 65865.2, the development agreement "...may include conditions, terms, restrictions, and requirements for subsequent discretionary actions, provided that such conditions, terms, restrictions, and requirements for subsequent discretionary actions shall not prevent development of the land for the uses and to the density or intensity of development set forth in the agreement. The agreement may provide that construction shall be commenced within a specified time and that the project or any phase thereof be completed within a specified time. The agreement may also include terms and conditions relating to applicant financing of necessary public facilities and subsequent reimbursement over time." Government Code Section 65866 states further that, ...[u]nless otherwise provided by the development agreement, rules, regulations, and official policies governing permitted uses of the land, governing density, and governing design, improvement, and construction standards and specifications, applicable to development of the property subject to a development agreement, shall be those rules, regulations, and official policies in force at the time of execution of the agreement. A development agreement shall not prevent a city, county, or city and county, in subsequent actions applicable to the property, from applying new rules, regulations, and policies which do not conflict with those rules, regulations, and policies applicable to the property as set forth herein, nor shall a development agreement prevent a city, county, or city and county from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations, and policies."

However, pursuant to Section 65869 "...[a] development agreement shall not be applicable to any development project located in an area for which a local coastal program is required to be prepared and certified pursuant to the requirements of Division 20 (commencing with Section 30000) of the Public Resources Code, unless: (1) the required local coastal program has been certified as required by such provisions prior to the date on which the development agreement is entered into, or (2) in the event that the required local coastal program has not been certified, the California Coastal Commission approves such development agreement by formal commission action." Since the City of Santa Monica

does not have a certified local coastal program, any development agreement that pertains to property within the City's coastal zone must be approved by the Commission. Thus, RAND Corporation has submitted the subject development agreement (herein 'DA').

2. Location of Area to be Affected by Proposed Development Agreement

The subject DA pertains to approximately 3.7 acres. The proposed area is located on the west side of Main Street, north of the intersection of Main Street and Pico Boulevard, in the City of Santa Monica (see Exhibit No. 1). The subject property is developed with a paved surface parking lot. The parking lot serves as part of the support parking for the RAND Corporation building on the adjoining 11.3 acre property.

RAND originally owned the entire 15 acre property, however, in April 2000, RAND sold 11.3 acres to the City of Santa Monica (Redevelopment Agency). The 11.3 acres contained the main RAND building and ancillary structures, totaling approximately 295,000 square feet, surface parking lots and two former apartment buildings. As part of an Owner's Participation Agreement between RAND and the City, RAND leased back from the City, the 11.3 acres to continue use of the existing facilities until the new RAND building is constructed.

3. Recently Approved Coastal Development Permits

On November 13, 2001, the Commission approved Coastal Development Permits 5-01-196(RAND) and 5-01-209(City of Santa Monica). Coastal Development Permit 5-01-196(RAND) was for the construction of a five-story, 69 foot high (as measured from centerline of frontage road), 320,409 gross square foot building for institutional use, over three levels of subterranean parking providing 825 spaces; new public street (Vicente Terrace) connecting Main Street and Ocean Avenue; restriping of roadway lanes, and a public pedestrian walkway, on a 3.7 acre parcel. The permit was approved with special conditions regarding: 1) submittal of a temporary parking plan; 2) participation in a parking, car pool and transit incentive program; 3) water quality mitigation; 4) archaeological resource recovery plan; and 5) notice to the applicant that the Development Agreement needs Commission approval to be effective in the Coastal Zone.

Coastal Development Permit 5-01-209(City of Santa Monica) was for the demolition of a two and five story, 295,000 square foot institutional use building, and two vacant and former apartment buildings on 11.3 acre site. Following the removal of the apartment buildings the apartment building sites will be improved as temporary parking for use by the RAND Corporation during the construction phase of the new RAND building. The permit was approved with special conditions regarding: 1) complying with the City's water quality standards for urban runoff; and 2) notice to the applicant that the Development Agreement needs Commission approval to be effective in the Coastal Zone.

B. Development

Section 30250 of the Coastal Act states in part that:

(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 a significant adverse effects, either individually or cumulatively, on coastal resources.

Section 30251 of the Coastal Act states in part that:

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 landforms, to be visually compatible with the character surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas.

The proposed project site is presently the location of the existing RAND Corporation south paved parking lot. The site consists of approximately 3.7 acres. The general vicinity is developed with residential, hotels, office, and retail uses. Land uses immediately surrounding the area, include City Hall, a Los Angeles County Court facility, and the Santa Monica Civic Auditorium, all located east of Main Street. To the west of Main Street, land uses include RAND, Chez Jay restaurant, Ocean Lodge Motel, and several vacant parcels that are used as surface parking lots along Ocean Avenue. To the southwest is the Pacific Shores Hotel.

The DA contemplates the construction of a single building consisting of five floors and measuring approximately 72 feet in height (above average natural grade), with mechanical equipment extending an additional 17 feet, and phased demolition of the existing buildings.

Visual resource issues related to development of the site concern compatibility of the height of the building with the surrounding area and potential impacts to coastal views. The DA limits the building height to a maximum of 69 feet (street curb to building roof).

The height of the building is consistent with the surrounding area. Heights of existing surrounding development vary from approximately 30 feet to over 96 feet in height. Buildings within the Civic Center measure two and three stories, while the Civic Auditorium measures approximately 60 feet in height. The Pacific Shores Hotel, located to the

southwest of the proposed site is eight stories and over 96 feet in height. Currently under construction directly to the east of the proposed site is a four story, 57 foot high, commercial office/retail building [5-90-928 (Maquire Thomas Partners)].

The proposed development will be located approximately two and a half blocks from the Santa Monica beach area. The project site is located east of a row of parcels located along the eastern side of Ocean Avenue. Some of these parcels are developed and others will be redeveloped with multiple story buildings. The west side of Ocean Avenue is developed with multi-story hotels, motels and other businesses.

The Commission has previously approved the development contemplated by the DA under CDP No. 5-01-196. The building height approved under CDP No. 5-01-196 is consistent with the height contemplated by the DA. Furthermore, the Commission found that due to the project's location and existing development between the project site and the ocean, the proposed building would not have any adverse impacts on public coastal views.

Although the DA purports to vest certain planning documents, those vested components pertain to local planning only and do not serve for local coastal planning (LCP) purposes under the Coastal Act, nor do they restrict what may or may not be approved under any subsequent coastal development permit. Thus, for any projects that have not yet received Coastal Act authorization, the DA does not bind the Commission (or local agency with a certified LCP and delegated authority) from conducting a full analysis pursuant to the Coastal Act and any applicable LCP in assessing whether to approve such projects. Since the DA imposes no restrictions on the applicable Coastal Act analysis, and any projects proposed in the future will be assessed pursuant to the dictates of the Coastal Act, the DA is not inconsistent with the Coastal Act. Accordingly, the DA would not in any way interfere with the Commission's ability to deny or modify any project to assure consistency with Sections 30250 and 30251 of the Coastal Act. Therefore, the Commission finds that the DA would not be inconsistent with Sections 30250 and 30251 of the Coastal Act.

C. Coastal 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 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. . .

1. Parking

The development contemplated by the DA requires a minimum total of 825 parking spaces and allows up to a maximum of 1030 parking spaces. The maximum limit provides the applicant flexibility in increasing the parking, if required by the Coastal Commission.

In CDP No. 5-01-196 the applicant proposed 825 spaces and provided documentation to support the project's demand for only 825 spaces. According to a submitted parking analysis, the peak parking occupancy for the existing RAND building is approximately 729 spaces, or approximately 2.5 spaces per 1,000 square feet of floor area. In addition to the study, the applicant had a parking consultant, Myer, Mohaddes Associates, Inc., conduct further research into the parking and trip generation characteristics of other institutional uses. The analysis included review of available parking and trip generation data from the Institute of Transportation Engineers (ITE) and other published sources, and contacts with other research and development (R&D) facilities comparable to RAND.

According to published transportation data, the peak parking demand rates for the R&D facilities range from 1.14 spaces per 1000 square feet to 2.07 spaces. These rates range from 26 to 53% less than those for commercial office use. Based on data from other similar R&Ds, including a benchmark study from Stanford Research Institute (SRI), which is considered similar to RAND, the parking provided ranged from 1.1 spaces per 1,000 square feet to 2.68 spaces per 1,000 square feet. These rates are also below the parking rates for commercial office use.

As stated above, the primary functions at RAND are institutional, including research and information dissemination. As such, the operations at RAND are not typical of a commercial office building. RAND employs a high number of personnel/consultants, that work at home, or work part time at the facility. Furthermore, based on a survey conducted for RAND's Emission Reduction Plan (ERP) for the City, it was shown that employees exhibit a high participation rate in ridesharing, transit usage, work at home, and non-motorized forms of commuting. In November 1999, a parking occupancy survey was conducted at RAND's parking lots. An analysis of the parking operations indicate an average demand of 681 spaces, with a weekday high of 695 spaces.

Based on this information, the Commission found, in approving CDP No. 5-01-196, that the 825 parking spaces proposed was adequate to support the demand. Therefore, the parking supply contemplated by the DA is consistent with CDP No. 5-01-196.

During construction, RAND will require interim parking due to the loss of the south surface parking lot where the new building is proposed. To ensure that the interim parking demand is adequately met, the Commission, required as a condition of CDP No. 5-01-196, that RAND provide adequate replacement parking during the construction period. The Commission approved temporary parking lots under CDP No. 5-01-209, to support the

interim demand. The construction of the temporary parking spaces, and use by RAND, is contemplated by the DA.

2. Traffic

The traffic study for the project, indicates that there will be traffic impacts to nearby intersections, and identifies measures to mitigate the impacts. These measures include modifications to intersection striping to provide additional turn lanes. To further minimize traffic impacts to the surrounding streets, the project will provide two ingress and egress points. One will be from Main Street and the second will be from the new street: Vicente Terrace. The Main Street entrance will provide dual ingress lanes with adequate setback from the street to provide for on-site queuing of vehicles. Vicente Terrace, which will be located along the southern portion of the project site, will be improved as a 25-foot wide roadway with landscaping and walkway, to provide through access from Main Street to Ocean Avenue. Vicente Terrace will provide the general public a new vehicular and pedestrian route from the Civic Center/Main Street area to Ocean Avenue. This also will help minimize traffic impacts to the nearby existing intersections.

All development of the site must be undertaken in a manner which is consistent with the requirements imposed by the Commission in its authorization of development under CDP No. 5-01-196 and 5-01-209, which maintains and enhances public access, as required by the Chapter 3 policies of the Coastal Act. Any impacts associated with any future project on the site would be identified and mitigated through the coastal development permit process.

3. Conclusion

All parking and traffic impacts associated with development contemplated by the DA were identified and mitigated by the Commission in CDP No. 5-01-196. The parking and traffic measures contemplated by the DA are similar with the Commission approved CDP No. 5-01-196. Although the DA purports to vest certain planning documents, those vested components pertain to local planning only and do not serve for local coastal planning (LCP) purposes under the Coastal Act, nor do they restrict what may or may not be approved under any subsequent coastal development permit. Thus, for any projects that has not yet received Coastal Act authorization, the DA does not bind the Commission (or local agency with a certified LCP and delegated authority) from conducting a full analysis pursuant to the Coastal Act and any applicable LCP in assessing whether to approve such projects. Since the DA imposes no restrictions on the applicable Coastal Act analysis, and any projects proposed in the future will be assessed pursuant to the dictates of the Coastal Act, the DA is not inconsistent with the Coastal Act. Accordingly, the DA would not in any way interfere with the Commission's ability to deny or modify any project to assure consistency with Sections 30252 of the Coastal Act . Therefore, the Commission finds that the DA would not be inconsistent with Sections 30252 of the Coastal Act.

D. Water Quality

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.

The development contemplated in the DA poses a potential source of pollution due to contaminated runoff from the proposed construction activity, development of a parking lot and other hardscape. The City, to mitigate potential impacts from development, 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.

The contemplated DA requires that the applicant prepare a Stormwater Pollution Prevention Plan (SWPPP), and obtain a National Pollutant Discharge Elimination System permit (NPDES), if necessary, in compliance with the standards and requirements of the California Regional Water Quality Control Board (RWQB).

Coastal Development Permit No. 5-01-196 was approved with a special condition requiring that the development comply with all applicable City water quality standards, which require conformance with the RWQB requirements. The water quality requirements of the DA are consistent with CDP No. 5-01-196.

Although the DA purports to vest certain planning documents, those vested components pertain to local planning only and do not serve for local coastal planning (LCP) purposes under the Coastal Act, nor do they restrict what may or may not be approved under any subsequent coastal development permit. Thus, for any projects that has not yet received Coastal Act authorization, the DA does not bind the Commission (or local agency with a certified LCP and delegated authority) from conducting a full analysis pursuant to the Coastal Act and any applicable LCP in assessing whether to approve such projects. Since

the DA imposes no restrictions on the applicable Coastal Act analysis, and any projects proposed in the future will be assessed pursuant to the dictates of the Coastal Act, the DA is not inconsistent with the Coastal Act. Accordingly, the DA would not in any way interfere with the Commission's ability to deny or modify any project to assure consistency with Sections 30231 of the Coastal Act . Therefore, the Commission finds that the DA would not be inconsistent with Section 30231 of the Coastal Act.

E. Cultural Resources

Section 30244 of the Coastal Act states:

Where development would adversely impact archaeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measures shall be required.

The proposed site is currently developed and has been disturbed in the past. According to the EIR, archaeological records indicate the presence of two prehistoric sites within a one-mile radius of the Civic Center area. The EIR states that the potential for archaeological resources is small due to past development of the site, however, there is a remote possibility of a deeply buried site being uncovered during excavation.

The development contemplated in the DA includes deep excavations to construct the subterranean parking levels. In CDP No. 5-01-196, to address the potential of uncovering archaeological resources and to ensure consistency with Section 30244 of the Coastal Act, the Commission imposed a special condition to require the applicant to monitor all grading and construction activities and required appropriate recovery and mitigation measures, regarding excavation, reporting and curation.

Although the DA purports to vest certain planning documents, those vested components pertain to local planning only and do not serve for local coastal planning (LCP) purposes under the Coastal Act, nor do they restrict what may or may not be approved under any subsequent coastal development permit. Thus, for any projects that has not yet received Coastal Act authorization, the DA does not bind the Commission (or local agency with a certified LCP and delegated authority) from conducting a full analysis pursuant to the Coastal Act and any applicable LCP in assessing whether to approve such projects. Since the DA imposes no restrictions on the applicable Coastal Act analysis, and any projects proposed in the future will be assessed pursuant to the dictates of the Coastal Act, the DA is not inconsistent with the Coastal Act. Accordingly, the DA would not in any way interfere with the Commission's ability to deny or modify any project to assure consistency with Sections 30244 of the Coastal Act . Therefore, the consistent with Section 30244 of the Coastal Act.