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EXISTING CONDITIONS

This chapter includes an overview of the location, characteristics, existing conditions, and key opportunities for the project area, as they existed when the Specific Plan process commenced in 2015. More details about the project area's existing conditions are contained in the Specific Plan's Initial Study/Mitigated Negative Declaration and the ULI report.

This chapter includes the following sections:

- 2.1 Local Setting
- 2.2 Historic Context
- 2.3 Existing Land Use
- 2.4 General Plan Land Use
- 2.5 Local Coastal Program
- 2.6 Circulation Networks & Parking
- 2.7 Community Character
- 2.8 Urban Form
- 2.9 Existing Infrastructure & Public Facilities
- 2.10 Economic Conditions & Development Potential
- 2.11 Summary of Key Opportunities

2.1 LOCAL SETTING

As identified in Chapter 1, the Specific Plan area encompasses approximately 40 blocks and 51.62 acres in the central western portion of the City (see Figure 2.1: Local Setting). The project area is bounded by 15th Street to the north, Valley Drive to the east, 8th, 9th and 10th Streets to the south, and The Strand to the west.

Major destinations in the project area include a Vons grocery store, the Metlox project, and the City’s Civic Center and Library. The project area also includes land designated for high-density residential development as well as the retail shops, restaurants, personal services, banks,



offices, and professional businesses that form the City’s central business district. The district is predominantly surrounded by high-density residential development to the north and south and medium- and low-density residential neighborhoods to the east, and the Manhattan Beach Pier, The Strand, and the beach to the west.

2.2 HISTORIC CONTEXT



Manhattan Beach began to develop in 1888, when a railroad spur, now Veterans Parkway, connected the Redondo Beach Wharf to downtown Los Angeles. In 1897, the town site of Potencia first appeared as a stop along the line. Potencia was renamed Shore Acres in 1902 and Manhattan Beach the following year. The City of Manhattan Beach was incorporated on December 2, 1912.

Manhattan Beach was originally promoted as a summer vacation resort. This initial development phase primarily comprised

Figures 2.1-2 Historic photos of Manhattan Beach

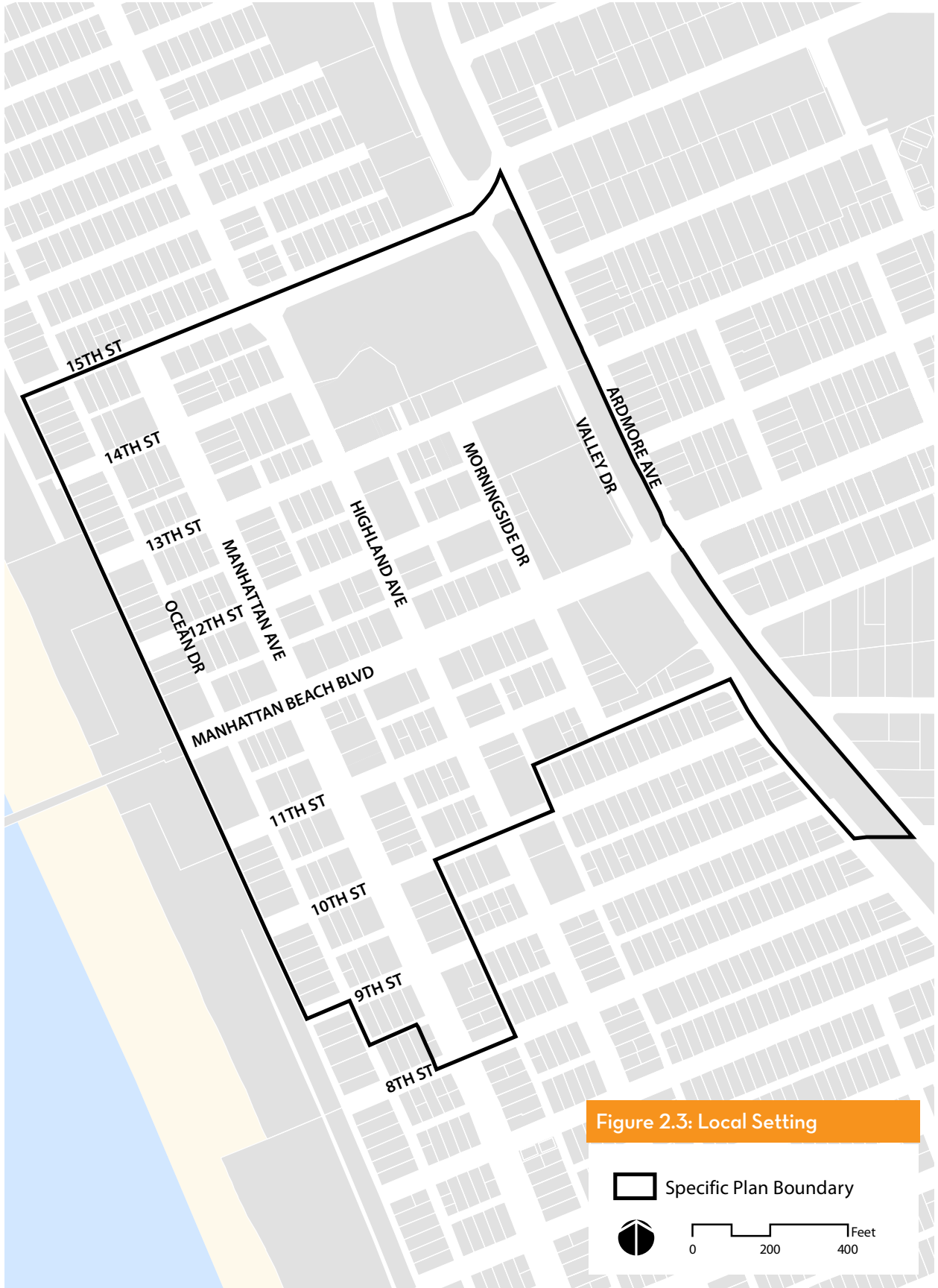


Figure 2.3: Local Setting

Specific Plan Boundary

0 200 400 Feet

small cottages arranged along pedestrian “walkstreets” (public streets dedicated exclusively to pedestrian circulation) and supporting commercial uses within close proximity to the railroad and the pier. Today, this area coincides with the western half of the Downtown. During the postwar era, Manhattan Beach experienced considerable growth as an increasing number of permanent residents moved into the City. This period gave rise to an established community with multiple residential neighborhoods and commercial areas, including the remainder of the project area and the surrounding neighborhoods.

2.3 EXISTING LAND USE

The project area currently includes a mixture of retail, restaurant, office, professional business, residential, public, and open space uses, as shown in Figure 2.4: Existing Land Use. Commercial development is concentrated along Manhattan Beach Boulevard, Manhattan Avenue, and Highland Avenue. Public uses are located in the City’s Civic Center, a one-block area bounded by 15th Street to the north, Valley Drive to the east, 13th Street to the south, and Highland Avenue to the west. The district’s open space area coincides with Veterans Parkway, located between Valley Drive and Ardmore Avenue. Residential development occupies the remainder of the project area.

Table 2.1 identifies the acreage and building square footage for existing land uses in the project area.

Table 2.1 Existing Land Uses

Existing Land Use	Acreage	Building Area (sq ft)
Bank	0.78	18,158
Mixed-Use (Commercial and Residential)	2.56	132,004
Multi-family Residential	6.04	243,131
Office / Professional Business	8.90	96,552
Park / Open Space	2.82	0
Parking Facilities	2.19	0
Public Facilities	5.45	0
Retail and Restaurant	6.72	148,265
Single-family Residential	8.22	239,505
Grand Total	43.68	877,615

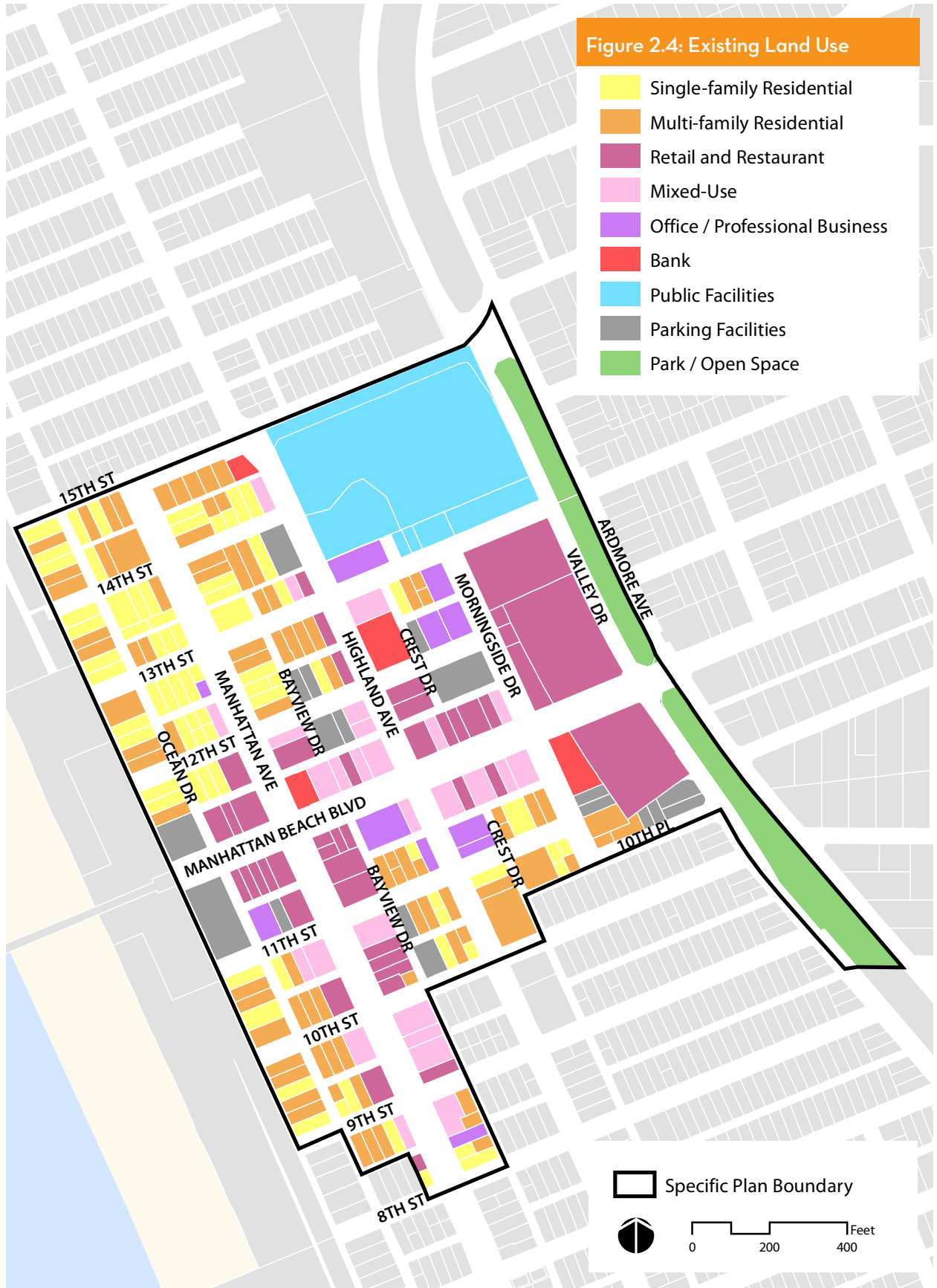


Table 2.2 shows the total number of residential units in the project area.

Table 2.2: Total Residential Units

Existing Land Use	Residential Units
Mixed-Use	11
Multi-family Residential	88
Single-family Residential	116
Grand Total	215

2.4 GENERAL PLAN LAND USE

The Manhattan Beach General Plan is the guiding document for development in the City and the project area. The General Plan identifies the land use classifications and sets the direction for development standards found in the Zoning Code.

As illustrated in Figure 2.5: General Plan Land Use, the General Plan applies four land uses classifications to the project area’s parcels: Downtown Commercial, High Density Residential, Parks and Open Space, and Public Facilities. Table 2.3: General Plan Land Use summarizes the General Plan land uses by acreage in the project area.

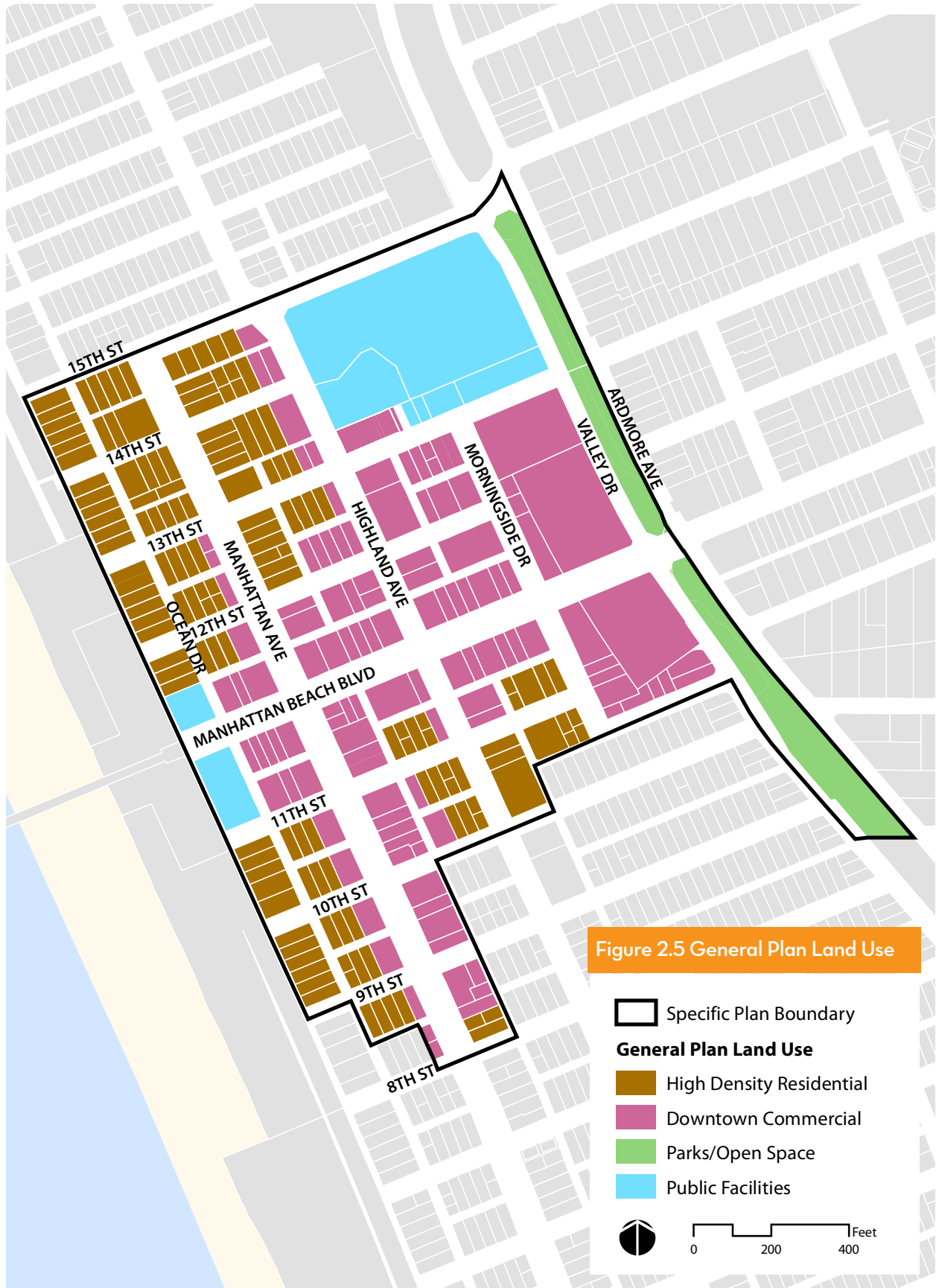
Table 2.3 summarizes the General Plan Land Uses in the project area.

Table 2.3: General Plan Land Use

General Plan Land Use	Acres
Downtown Commercial	13.8
High Density Residential	12.9
Parks/Open Space	2.9
Public Facilities	5.6
Total	35.2

2.5 LOCAL COASTAL PROGRAM

The Manhattan Beach Local Coastal Program (LCP) provides additional policy direction and includes standards for development within the project area. As illustrated in Figure 2.6: Local Coastal Program, the entire district is located within the LCP’s Coastal Zone, and the portion of the project area located west of Manhattan Avenue is located within LCP’s appealable area.



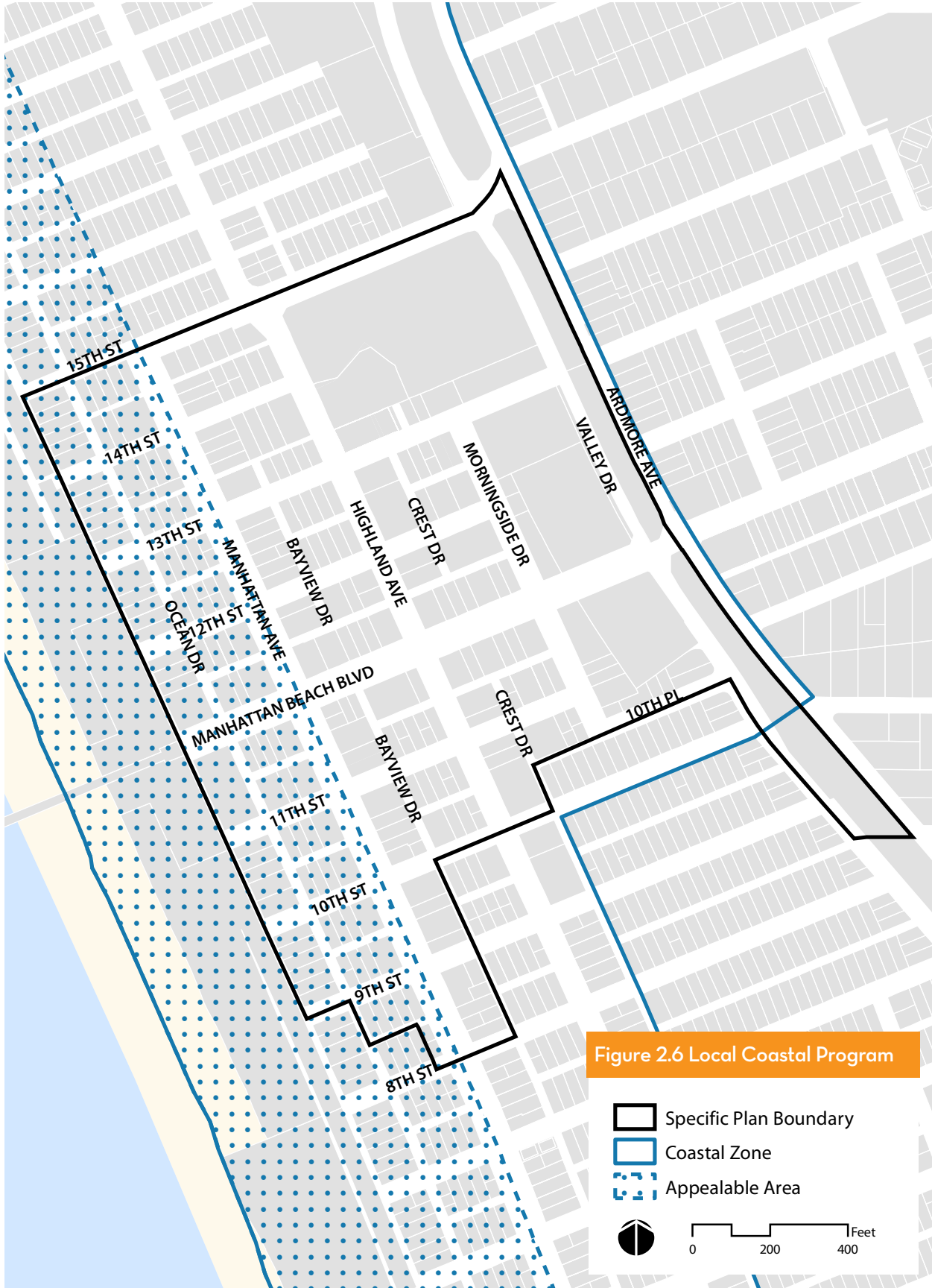


Figure 2.6 Local Coastal Program



2.6 CIRCULATION NETWORKS & PARKING

This section provides an overview of the motor vehicle, pedestrian, bicycle, and transit networks, and parking facilities in the project area.

2.6.A STREET NETWORK

The Downtown is primarily served by four arterial and collector streets that extend through or along the edge of the project area: Manhattan Beach Boulevard running east-west, Highland Avenue, Manhattan Avenue, and the Valley Drive/Ardmore Avenue couplet. The routes provide access from the surrounding residential neighborhoods, Sepulveda Boulevard (Highway 1) to the east, and Hermosa Beach to the south. The street network within the project area comprises a tight grid pattern of local streets and alleys.

This grid pattern adequately accommodates pedestrians, but lacks the necessary vehicular connections in the southern half of the project area. South of Manhattan Beach Boulevard, no streets oriented in the east-to-west direction connect Manhattan Avenue or Highland Avenue with the Valley Drive/Ardmore Avenue couplet. This has the effect of routing vehicles onto

Figure 2.7 (above) Manhattan Beach Boulevard

Figure 2.8 (top right) Manhattan Avenue

Figure 2.9 (bottom right) Alley



Figure 2.10 (left) Walkstreet
Figure 2.11 (above) Sidewalk
along Manhattan Beach
Boulevard



nearby streets with a through connection, increasing congestion and pedestrian-to-vehicle conflicts.

Figure 2.12 shows the existing road network by street classification: residential, collector, and arterial.

2.6.B PEDESTRIAN AND BICYCLE NETWORK

Pedestrian and bicycle movement within and through the project area is generally accommodated by existing streets and sidewalks. The district's compact blocks and tight street grid provide a well-connected pedestrian network. Pedestrians also benefit from having access to The Strand, several walkstreets, and Veterans Parkway. The City's walkstreets extend through the westernmost blocks of the project area in the east-west direction. Veterans Parkway, a linear park located between Valley Drive and Ardmore Avenue, includes a pedestrian jogging and walking trail that extends from the eastern edge of the project area north to Manhattan Village and south to Hermosa Beach. While pedestrians generally enjoy good access to the project area, mobility is impacted by narrow sidewalks, particularly along the district's commercial streets, a lack of accessible curb ramps, and vehicular congestion and high traffic speeds along arterial streets.

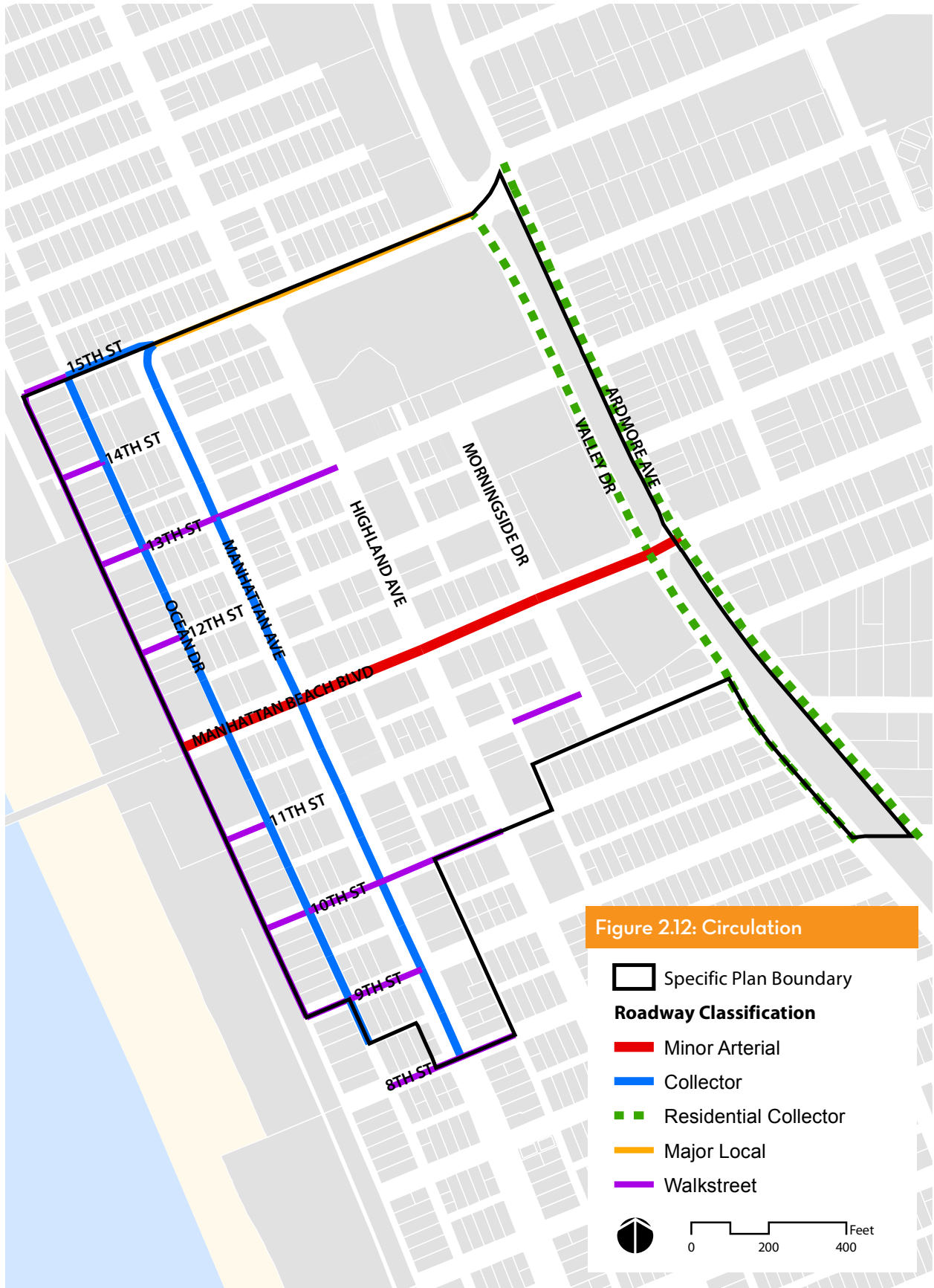


Figure 2.12: Circulation

- Specific Plan Boundary
- Roadway Classification**
- Minor Arterial
- Collector
- Residential Collector
- Major Local
- Walkstreet

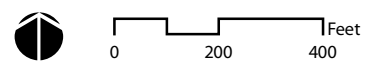




Figure 2.13 The Strand



Figure 2.14 Ocean Express shuttle



Figure 2.15 Metlox parking garage

While cycling is a major recreational activity in Manhattan Beach, the City's designated bicycle network is limited within the Downtown. The primary bicycle facility is the Class I Marvin Braude bicycle path that runs parallel to The Strand. This path occupies a brief segment of the bicycle route that extends along the beach from Malibu to the north to Palos Verdes Peninsula to the south. The other facility is a Class III on-street bicycle route with sharrows on Manhattan Avenue that extends between 8th and 15th streets. The project area's narrow and congested streets, coupled with diagonal parking, limit the dedication of additional facilities. In addition to expanding the bicycle network, the project area is in need of short- and long-term bicycle parking facilities that would accommodate more people biking to Downtown destinations.

2.6.C TRANSIT NETWORK

The Downtown and adjacent area are served by several transit routes. They include Beach Cities Transit (BCT), a fixed-route public transit line that connects the South Bay cities; Commuter Express Bus Line 438, a route operated by LADOT that connects the South Bay and Downtown Los Angeles; Los Angeles County Metropolitan Transit Authority (MTA) Line 126; and Dial-a-Ride, a shared, curb-to-curb bus service available to Manhattan Beach residents who are disabled or at least 55 years old.

The Downtown area is also served by Ocean Express, a private shuttle service for hotel guests and tenants in the Gateway to L.A. Property-based Business Improvement District, an area that includes hotels and other business that serve LAX. Although Ocean Express is not considered public transportation, the shuttle drops off and picks up guests in the project area.

2.6.D PARKING

The project area includes 2,258 parking spaces. The district's parking supply comprises 1,130 off-street public parking spaces within ten surface lots and two structures, 371 on-street spaces adjacent to commercial and mixed-use development, 287 on-street spaces adjacent to residential development, and 470 private parking spaces.

Access to parking is one of the critical issues facing future development in the project area. Between the district's residents, employees, shoppers, and visitors, demand for parking significantly outstrips supply. To address the issue, the City adopted the Downtown Parking Management Plan in 2008. Appendix X: Downtown Parking Master Plan Evaluation lists the plan's strategy, describes



the issues that the strategies attempt to address, and provides an evaluation for how successfully the City has implemented the measures.

Figures 2.16-19 Examples of Residential, Commercial, and Mixed-Use Development that contribute to Downtown’s small beach town character

2.7 COMMUNITY CHARACTER

The Downtown is imbued with the characteristics of a small Southern California beach town. The district is organized into a tightly gridded network of mostly narrow streets, compact blocks, and narrow, deep lots that date back to the City’s initial development as a primarily pedestrian-oriented beachside community in the early 1900s. While most of the small cottages that originally occupied the lots have been replaced or significantly modified, the current buildings generally perpetuate the district’s small, low-scale, urban development pattern. Most of the buildings are one or two stories tall, narrow, occupy a small footprint, and feature minimal setbacks. In addition, commercial and mixed-use buildings generally incorporate



Figure 2.20 (top) The Metlox development successfully emulates Downtown’s small beach town character

Figure 2.21 (bottom) The Vons grocery store building appears out of scale and disconnected from the adjoining streetscapes.

prominent storefronts with substantial openings, activating the adjacent streetscape. To perpetuate the Downtown’s small town character, it is imperative that future development emulate these characteristics.

The district also features several sites that include larger parcels and/or buildings. One of the sites, the Metlox development, a mixed-use project that occupies the site of the former Metlox pottery factory, comprises small retail shops, restaurants, and a boutique hotel that all work to replicate the project area’s traditional scale and character. Two other sites, the Vons block and Skechers’ corporate headquarters, include buildings that appear out of scale and disconnected from the adjacent streetscapes. Future development on these sites should focus on perpetuating the project area’s small, low-scale character and strengthening the relationship between the site and the streetscape.

The district’s built environment possesses an eclectic style that contributes to its small town character. Most of the district’s buildings were constructed between 1920 and 1960 and feature a mixture of the architectural styles that were popular during this period. The district’s newer buildings, generally constructed during the past 15 years, incorporate a more contemporary aesthetic. While this aesthetic contributes positively to the

district’s eclectic character, the ongoing exterior renovation of older buildings to contemporary styles threatens the project area’s traditional beach town appearance. To safeguard the Downtown’s visual character, the effort should be made to preserve existing examples of and emulate characteristics associated with the district’s traditional styles.

2.8 URBAN FORM

The project area possesses an excellent urban form that helps define its identity as a small town urban district (see Figure 2.23: Urban Form Axonometric). Future development and redevelopment efforts should build upon this asset.

The district’s commercial and mixed-use development is focused within the City’s central business district, an area that includes the entire length of the Manhattan Beach Boulevard corridor as well as significant portions of the Manhattan Avenue and Highland Avenue corridors. The built environment in these areas is typical of traditional “main street” development. Small, narrow, one- and two-story block buildings are located adjacent to the sidewalk and generally occupy the majority of the lot. The buildings’ street-facing façades are well articulated, featuring prominent storefronts along the ground floor. A number of the two-story buildings incorporate an upper-



story stepback, creating a balcony and the impression of a single-story building along the street. As future development occurs, the district's small-scale urban form should be protected against the consolidation of storefronts and extended to the few buildings that appear oversized.

Two commercial sites do not conform with the Downtown's small town urban form. The Vons block, developed during the 1960s in the mold of a suburban commercial center, features two large buildings, a Vons grocery store and a Union Bank bank, set back from the sidewalks along Manhattan Beach Boulevard and Valley Drive by wide parking lots. Future development on the site should seek to emulate the urban form that exists elsewhere in the central business district. The Skechers' corporate headquarters is located in a large building along Manhattan Beach Boulevard that appears out of scale with the other buildings along the street. The building also lacks the necessary presence along the street. While the building generally obtains an appropriate urban form, the central portion of the street-facing façade is setback from the sidewalk by a large forecourt located below the adjoining sidewalk's grade, and the remainder of the façade lacks storefronts.

Residential development occupies most of the remainder of the project area, especially the several blocks at the northern and southern ends of the project area. While these areas are designated for high-density development, they include a combination of single-family homes and multiple-family apartment and condominium buildings. Most of the properties were originally developed with small, 600-800 square foot, single-story cottages. In almost every instance, the cottages have been replaced with or expanded into much larger, two- and three-story, often boxy structures that maximize the permitted development envelope. Where future development occurs within these residential areas, the effort should be made to reduce building bulk with balconies, stepbacks, and use of architectural forms.

The City's Civic Center occupies the property area's northeastern corner, an area bounded by 15th Street to the north, Valley Drive to the east, 13th Street to the south, and Highland Avenue to the west. The site serves as a central civic campus, comprising three buildings: City Hall, the Police & Fire Facility, and the Library, a single-story subterranean parking structure, a surface parking lot, and a network of plazas and green spaces.

Because the Downtown's urban form is virtually unbroken, the district includes few other large open spaces. The most prominent examples are located in the Metlox project. The site includes a large central plaza, a smaller plaza at the northwestern corner of the site, and several paseos. Given the site's adjacency to the Civic Center, these spaces serve as an extension of the campus's open space network. They also provide much needed locations for outdoor dining, large public events, and the City's weekly farmers market. The other significant open space, Veterans Parkway, is a linear park located between Valley Drive and Ardmore Avenue. The district does incorporate a number of small open spaces on private properties. This includes forecourts and front yards on residential properties, particularly along walkstreets, and small areas created by façade setbacks along commercial frontages. Future development should incorporate both kinds of spaces to provide small gathering spaces adjacent to the district's constrained streetscapes and relief from the hard edges of its urban form.

2.9 EXISTING INFRASTRUCTURE & PUBLIC FACILITIES

This section provides an overview of the utility infrastructure and parking facilities in the project area.

2.9.A UTILITY INFRASTRUCTURE

The West Basin Municipal Water District (WBMWD) serves as the water service wholesaler, and the City of Manhattan Beach serves as the water service provider in the project area. The water system infrastructure in the project area includes a grid of distribution mains that range in size from 4 to 12 inches in diameter.

The City serves as the wastewater provider in the project area. As such, the City is responsible for operation and maintenance of the collection system. Wastewater from individual services flows into the City's collection system. Regional trunk sewers then collect the wastewater generated in the City and transport it to Los Angeles County Sanitation District's Joint Water Pollution Control Plant for treatment in the City of Carson.

The City provides storm drainage collection in the project area and is responsible for operation and maintenance of the collection system. The system includes open channels, closed conduits, catch basins, laterals, manholes, and other associated facilities, and was mostly constructed after 1960. The system's distribution network comprises cast iron, reinforced and nonreinforced concrete, asbestos cement, corrugated metal, PVC, steel, and vitrified clay pipes, ranging in diameter from 2 to 72 inches. Other agencies, such as the Cities of Hermosa Beach and Redondo Beach and the Los Angeles County Flood Control District, along with some privately owned facilities, maintain facilities in the project area.

AT&T and Time Warner provide telecommunication, cable television, and Internet services. Utility infrastructure in the project area is located both aboveground on utility poles and belowground in public utility easements.

Southern California Edison provides electric services in the project area. Electrical infrastructure in the project area is located aboveground on utility poles as well as belowground. Southern

California Gas Company provides natural gas services in the project area. Natural gas pipelines are located belowground.

2.9.B RECREATION AND PARKS

The project area is served by one designated open space, Veterans Parkway. The parkway extends along the eastern edge of the project area between Valley Drive and Ardmore Avenue. The space includes a row of diagonal parking spaces along Valley Drive between 15th Street and Manhattan Beach Boulevard and

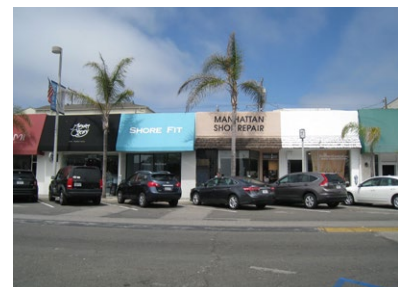


Figure 2.23 Retail shops along Manhattan Ave



Figure 2.24 (top) Downtown Manhattan Beach Farmers Market

Figure 2.25 (bottom) Concert in the Park

a pedestrian jogging and walking trail.

2.9.C PUBLIC SAFETY

Public safety consists of police, fire protection, and emergency services. In the project area, these services are primarily fulfilled by the Manhattan Beach Police Department and the Manhattan Beach Fire Department. The Departments share their primary facility, the Manhattan Beach Police & Fire Facility, in the project area along the eastern side of the Civic Center at 400 and 420 15th Street. As of 2016, the Police Department employed 65 sworn personnel and 40 civilian staff members, and the Fire Department included 30 career firefighters and 24 volunteer personnel.

2.9.D EDUCATIONAL, LIBRARY, AND CULTURAL FACILITIES

The project area is located in the Manhattan Beach Unified School District. No schools are located in the project area; however, it is served by Grand View, Pacific and Robinson Elementary Schools, Manhattan Beach Middle School, and Mira Costa High School.

The City's branch of the Los Angeles County Public Library, completed in 2015, is located in the project area along the southwestern corner of the Civic Center at 1320 Highland Avenue.

The project area does not include any cultural facilities, but several such facilities within close proximity do serve the district. This includes the Roundhouse Aquarium, located on the Pier, several buildings located in Live Oak Park: the Annex, Joslyn Community Center, Live Oak Park Recreation Center, and the Scout House, and two buildings located adjacent to the park: the Downtown post office and the Chamber of Commerce.

2.10 ECONOMIC CONDITIONS & DEVELOPMENT POTENTIAL

A Demographics and Marketing Findings Technical Memorandum was prepared to assist with identifying the Downtown's economic conditions. Below is a summary of the key findings. The full memo is provided in Appendix X: Demographics and Market Findings Technical Memorandum.

2.10.A MARKET POSITION

The Downtown enjoys a strong market position as a multifunctional, unique, and charming shopping and dining destination which also serves as a social and civic center for the entire City. The project area is also a destination for thousands of regional visitors and tourists who flock each year to the area to enjoy the beautiful ocean views, historic Manhattan Beach Pier, and numerous events. The Downtown's diverse target market groups present considerable consumer demand and buying power, and the downtown business core serves them with a healthy mix of businesses ranging from a solid dining and retail cluster to an array of locally servicing personal and professional businesses.

2.10.B LOCAL ECONOMIC MARKETS

The Downtown's primary trade area encompasses the entire City, which consists of 35,619 residents. The secondary trade area has over 66,000 residents who live within a 10-minute drive time of downtown (see Figure 2.26: Drive Times). This trade area includes the Cities of El Segundo, Redondo Beach, and Hermosa Beach as well as a small portion of the City of Lawndale. Within a 20-minute drive time, the population explodes to 713,534 residents, capturing the Playa del Rey and Marina del Rey neighborhoods to the north, the cities of Inglewood, Hawthorne, and Gardena to the east, and the cities of Redondo Beach and Torrance to the south.

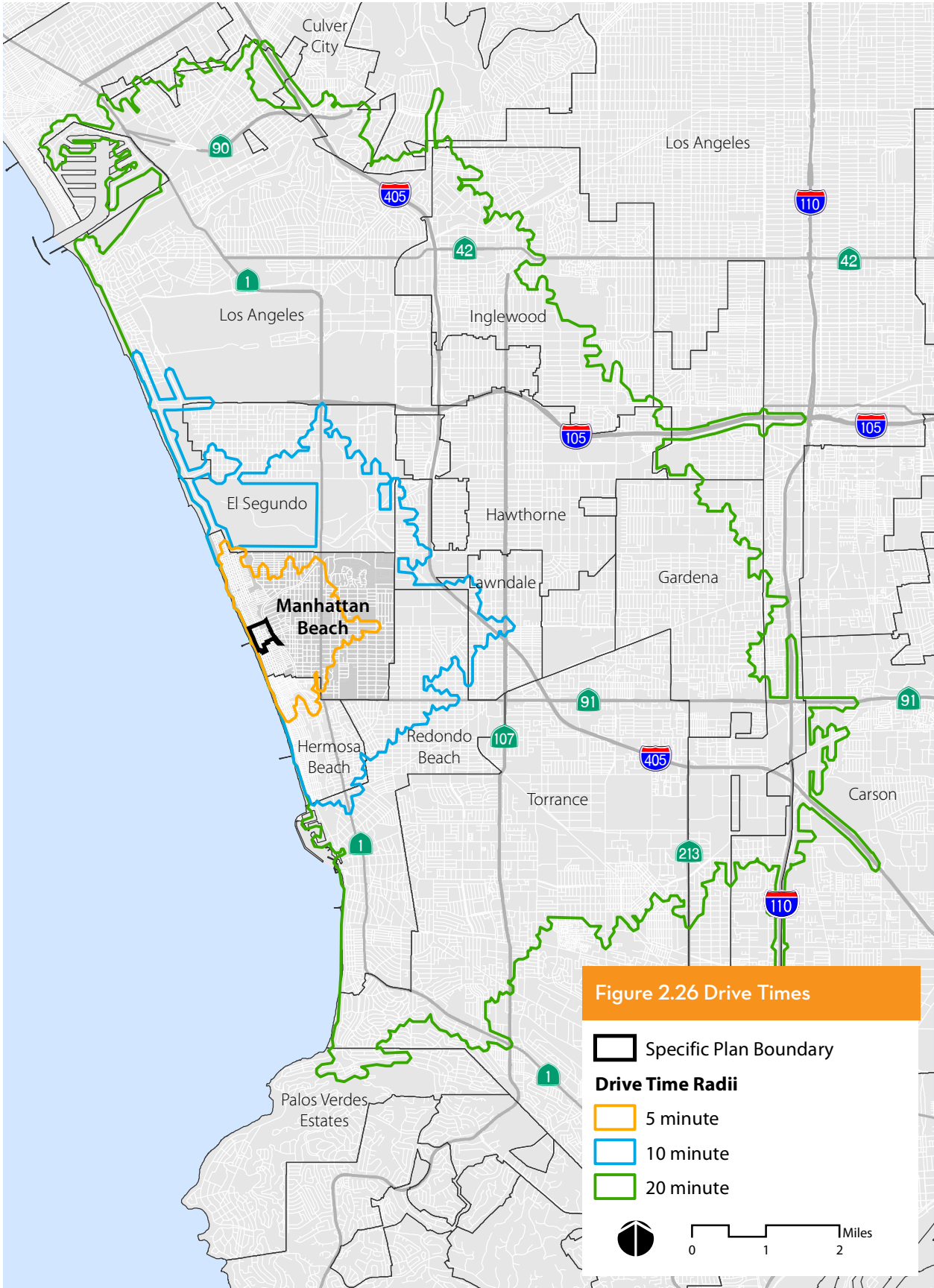
In addition to the solid population base within the primary and secondary trade areas, Downtown Manhattan Beach businesses pull from other target markets, including close to 18,000 employees within the City boundary, an estimated 3.8 million tourists who visit the City each year, and a robust calendar of events that attracts regional visitors as well as smaller community-based events that appeal to the resident base.

2.10.C DOWNTOWN BUSINESSES

The Downtown boosts a strong, small shop dominance balanced with local independently owned operations and formula-based, more regional and nationally recognized businesses. This mix of businesses creates a number of strong business clusters that appeal to the various target markets or consumer base. Of the 274 businesses located in the project area, 40 percent of the businesses directly appeal to the visitor market, and another 52 percent of businesses provide goods and services that support the needs of the local resident base.

2.10.D EVENTS AND PROMOTIONS

Numerous special events occur throughout the City, but many held specifically in the Downtown draw hundreds of residents and visitors to the area. Well-known athletic events include the AVP Volleyball Tournament, the Charlie Saikley Volleyball Tournament (referred to as the "6-Man"), the Grand Prix, and the Tour de Pier. Community events include the Hometown Fair, World Famous Pumpkin Race, Pier Lighting and Downtown Business and Professionals Association Open House, and the Downtown Holiday Fireworks Show.



The City also hosts smaller, community-based events throughout the year, including the Summer Surf Movie Series. The Downtown Manhattan Beach Business and Professionals Association coordinates the weekly Manhattan Beach Farmers Market as well as a number of advertising and public relations activities.

2.11 SUMMARY OF KEY OPPORTUNITIES

Upon analyzing the existing conditions summarized here and in the ULI report, and input from the stakeholders, the community, and the Specific Plan Advisory Committee, the project team identified the following major opportunities in the project area.

2.11.A PARKING SOLUTIONS

Chapter 5, Circulation Plan, and Appendix 3: Downtown Parking Management Plan Evaluation recommends new and updated strategies for the DPMP that the City can adopt and implement to address the district's current and envisioned future parking demand. Parking is a significant, complex issue that will likely require the implementation of a multifaceted approach, comprised of numerous strategies. These may include:

- The adjustment of pricing and time limits for on-street and public off-street facilities to encourage visitors to park in structures and lots during peak periods and for longer durations. The re-design of wayfinding signage to more clearly and expeditiously direct visitors to available parking within the district.
- The utilization of smart parking technologies to improve efficiency with finding available parking.
- The provision of additional parking supply with new structured parking.
- The introduction of a City-regulated valet parking program.
- The expansion of shared parking arrangements in private parking lots.
- The increased enforcement of parking violations.
- The introduction of a shuttle that serves existing remote parking locations.
- The re-establish of a Capital Program for operations, maintenance and new construction expenses and to create revenue opportunities.
- The advent of a residential parking permit system that provides residents with Downtown core parking privileges in limited areas surrounding their residence.
- The increase of special vehicle parking stalls and loading zones.

2.11.B STREETScape IMPROVEMENTS/ENHANCED PEDESTRIAN AND BICYCLE FACILITIES

Chapter 5, Circulation Plan, Chapter 7, Public Realm Design Guidelines and Improvements, and Appendix 2: Complete Streets and Streetscape Evaluation describes a number of functional and aesthetic improvements to the district’s streets, sidewalks, and other public spaces to improve circulation and access for all users, especially pedestrians and bicyclists. These include:

- Various improvements to enhance pedestrian circulation at many intersections and along Manhattan Beach Boulevard. The improvements include enhanced crosswalks at intersections and midblock locations with rectangular rapid flashing beacons, signalized pedestrian-only crossing phases, the installation of additional traffic signals, and designated drop-off zones.
- The expansion of Class 1, 2, and 3 bicycle facilities.
- Minor sidewalk pop-outs in key locations along Manhattan Beach Boulevard to accommodate the midblock pedestrian crossings, small plazas and seating areas, drop-off zones, and alternative vehicle parking.
- Gateway treatments at both ends of Manhattan Beach Boulevard to signify arrival in the project area and at The Strand, beach, and pier.

2.11.C FUTURE MARKET OPPORTUNITIES

According to the ULI report, the Downtown has approximately 400,000 square feet of existing retail and commercial uses (see Table 2.4: Distribution of Downtown Physical Space). Of those uses, 70 percent are in a small-shop format. With the future redevelopment of possible key opportunity sites, the densification of some existing sites, and the development of the shared office/retail building concepts in the Downtown area, there will be an increase in the existing square footage. The report states “that an upper-end goal of 500,000 square feet would be appropriate for downtown thus providing an additional 100,000 square footage for downtown to capture in future market opportunities.”

Table 2.4 Distribution of Downtown Physical Space

Use	Square feet	Share
Purpose-built office (Skechers and three buildings)	60,000	15%
Metlox Shopping Mall	45,000	11%
Grocery (Vons and Manhattan Beach Grocery)	20,000	5%
Small commercial spaces	275,000	69%
Total	400,000	100%
Shade Hotel	38 rooms	

SOURCE: Manhattan Beach ULI Advisory Services Panel Report, January 11-16, 2015

With the ULI panel setting the parameters that the Downtown can support an additional 100,000 square feet, this seems realistic given the consumer demands in the primary trade area as

presented in Table 2.5: Retail Demand, Supply, Leakages and Surpluses within Manhattan. ESRI sales performance data indicates that within the primary trade area, there is unmet demand in several NAICS categories including home furnishing, grocery, general merchandise, and other store retailers. In addition, the sales performance estimates surplus in clothing and food service and drinking places, indicating that these uses are drawing customers from outside the trade area, thus supporting the ULI statement that “visitors support 50% of the overall retail space and restaurants rely on visitors for nearly 75% of their patrons.”

Table 2.5: Retail Demand, Supply, Leakages and Surpluses within Manhattan

Industry Group	Demand (Potential)	Supply (Sales)	Leakage or Gap
Home Furnishing Stores (NAICS 4422)	\$11,429,041	\$1,927,451	\$9,501,590
Grocery Stores (NAICS 4451)	\$137,776,220	\$117,839,404	\$19,936,816
Specialty Food Stores (NAICS 4452)	\$5,742,945	\$6,218,230	-\$475,285
Beer, Wine & Liquor Stores (NAICS 4453)	\$9,517,205	\$5,004,128	\$4,513,077
Clothing & Clothing Accessories Stores (NAICS 448)	\$65,235,872	\$98,855,317	-\$33,619,445
General Merchandise Stores (NAICS 452)	\$127,005,169	\$37,890,062	\$89,115,107
Other Misc. Store Retailers (NAICS 453)	\$26,724,522	\$10,818,871	\$15,905,651
Food Services & Drinking Places (NAICS 722)	\$103,904,456	\$134,268,128	-\$30,363,672

SOURCE: ESRI (Sales leakage estimates indicate business development opportunities – opportunities to expand existing businesses or add new businesses to address the “market gap.” Sales surpluses indicate a market where local demand is saturated and customers are already being drawn from outside of the trade area.)

Existing businesses are faced with extensive opportunities for retaining, strengthening, and expanding business through individual business enhancement initiatives, as well as an array of cooperative retail and business development actions. These initiatives and actions are supported by several strong and well-regimented business organizations including but not limited to the Chamber of Commerce and the Downtown Manhattan Beach Business and Professionals Association.

