

Martha Alvarez

From: Gary Osterhout <garyosterhout@verizon.net>
Sent: Monday, January 31, 2022 4:24 PM
To: List - City Council
Subject: [EXTERNAL] Ceremonial Calendar/Meeting Management

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Councilmembers:

In respect to your Ceremonial portion of the council meetings and the attendant length of meetings, I submit the following from my correspondence to the council in April 2016.

- Start the business meeting at 6:30, after all members have had time to go to the john after ceremonial so there doesn't need to be a long break later.
- Do whatever you want prior to 6:30 in respect to recognitions/ceremonial, etc. Do not require a quorum. I would include Community Announcements in this pre-6:30 session.
- Consider not having Staff give an oral report and council can work from the written material (this can be in general or in specific situations). That would save a lot of time (and you'll be certain that the reports get better). Same in respect that a powerpoint is often unnecessary (or not particularly useful) when the same material is in the report (and why wouldn't it be).
- Recognize that the chair has the ability to limit the amount of time for any one person to speak, and even limit the number of people allowed to speak. That power should serve in the more extreme situations (and, as Gerry O'Connor says, that should also be an indication that the issue needs taken down and addressed in or at a different venue). Right now, you seem to have imposed rules out of concern for the extremes (that are actually rather rare).
- And, try to quell memes like continual "Happy Birthday" greetings. Sure that's fun, but if you are going to be so serious about time, then that sort of thing is annoying.
- Reduce the number of issues you deal with each year and thus cut down on the agenda. Our city government is way too active, especially trying to get on every organization's "Top Grade" list. Fewer issues mean less long meetings.

I would currently add to this, that your ceremonial items often attract an audience that is interested only in showing up for the ceremonial item, and nothing else. This results in a parking and/or seating problem for those interested in participating in the business meeting, particular those that want to participate in early items such as pulling a Consent item. As such that prompts that holding the recognition portion early, and allowing the related audience to clear out, is of benefit to others.

You can certainly tell that when culture wars issues come up, the community is most animated. Perhaps councilmembers could resist participating in culture war issues.

I sure you folks can differentiate between an important recognition that might be held during the business portion (i.e., a new County Supervisor), and recognizing someone as part of a mayoral vanity project (which should be taken care of prior to 6:30).

If not clear from above, the business meeting should start soon on or after 6:30, and should not start any earlier than 6:30.

There are a number of meetings where the agenda is very limited and the meeting is short. The agenda for the year should be managed to smooth out the more intense agendas--even if that means you need to break up agenda groupings (such as the annual July Park and Rec-intensive agenda).

Outside of emergencies, you should not be making any appropriations within 6 months of the final budget.

Of course, developing objective standards of accountability and regular cogent record-keeping and period reporting would be self-activating in respect to getting things done more efficiently at the council level, but you folks shy away from this approach for some reason.

Utilizing and empowering the commissions as outreach community sounding boards and as a way of distilling and summarizing arguments would also go far in providing community agency that residents have been heard and would reduce the need to state the same at council. This input would also allow either staff or mayor to objectively summarize

arguments for and against (instead of staff merely relaying their preference), so community folk know the issues have been presented and understood.

Of course, a majority of the time it is not the community that makes the meetings long.

Thank you for your consideration,
Gary Osterhout

Martha Alvarez

From: coastaldefendermb@gmail.com
Sent: Tuesday, February 1, 2022 2:06 PM
To: Hildy Stern; Joe Franklin; List - City Council; Richard Montgomery; Steve Napolitano; Suzanne Hadley
Cc: Bruce Moe; Quinn Barrow; Paige Meyer; Liza Tamura; Martha Alvarez; Ted Faturos
Subject: [EXTERNAL] RE: : Solution to HEU Affordable Housing
Attachments: 220201-McP-CC-Testimony-AffordableHousing.pdf

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please find attached my testimony for the Housing Element Upgrade item tonight.

Don McPherson
1014 1st St, Manhattan Beach CA 90266
Cell 310 487 0383 coastaldefendermb@gmail.com

From: coastaldefendermb@gmail.com <coastaldefendermb@gmail.com>
Sent: Monday, 31 January, 2022 21:31
To: Hildy Stern <hstern@citymb.info>; Joe Franklin <jfranklin@citymb.info>; MB Council <citycouncil@citymb.info>; Richard Montgomery <rmontgomery@citymb.info>; Steve Napolitano <snapolitano@citymb.info>; Suzanne Hadley <shadley@citymb.info>
Cc: Bruce Moe <bmoeb@citymb.info>; Quinn Barrow <qbarrow@citymb.info>; Paige Meyer <pmeyer@manhattanbeach.gov>; Liza Tamura <LTamura@citymb.info>; Martha Alvarez <malvarez@citymb.info>; Ted Faturos <tfaturos@citymb.info>
Subject: : Solution to HEU Affordable Housing

1 February 2022

Hildy Stern, Mayor
City of Manhattan Beach
Via Email: citycouncil@citymb.info
Subject: Solution to HEU Affordable Housing

Mayor Stern and Councilmembers.

The attachment summarizes a solution for the city to provide the 407-unit shortfall in affordable housing by 2029, in compliance with both CEQA and the zoning code. No bonus-density waivers needed for this version of the Housing Element Update ["HEU"]

Starting with the Highrose project at Rosecrans and Highland, the city can purchase the property and lease it to developers for construction and operation of 100% affordable housing. That way, the public-housing operation remains in the private sector. The city, however, will have landlord authority to ensure compatibility with law, specifically, the General Plan, the Local Coastal Program and the General Plan. Same as they do for Metlox.

The city will have total control, rather than the developers, with their unending demands for financial incentives.

The city will need only five such 100% affordable projects to meet the 407-unit quota. In contrast, to provide that many units, the current HEU will require 68 projects the size and 50-foot height of Highrose, considering its meager six affordable units.

The costs easily managed. Based on a professional appraisal for a coastal property almost identical to Highrose, the city can finance the five acquisitions with a piddly increase in property taxes, amounting to \$376-\$522 per year per each taxpayer, for interest rates 4%-7%.

To ensure the purchases, the city could pay twice the appraised value, upon which the above property-tax increases based.

If an owner refuses to sell for twice the property value, the city can then exert its power of eminent domain to acquire the property at that price. That an incredible negotiating tool.

The attachment also establishes that the environmental impact report for the HEU blatantly violates CEQA. Consequently, the HEU invalid, as it stands. The solution outlined above eliminates the CEQA violations.

I request that the city council directs staff to pursue the above 100% affordability solution in the HEU. Otherwise, as is, it will start dead on arrival, as have all in California cities during past decades.

Thanks for considering this solution to the affordable housing enigma,

Don McPherson, President

Coastal Defender

1014 1st St, Manhattan Beach CA 90266

Cell: 310 487 0383

coastaldefendermb@gmail.com

CITY COUNCIL TESTIMONY: HOUSING ELEMENT UPDATE, 1 FEBRUARY 2022

Don McPherson, representing Coastal Defender, 1014 1st St.

Staff currently evaluates the Highrose project at Highland and Rosecrans with 79 units, six being affordable. This permits waivers from the municipal code of a 50-foot height, a 47% increase in building area and a 50 parking-space reduction.

To meet its affordable-unit quota, the city needs 406 more. This corresponds to 68 50-foot-high projects like Highrose. For maximum profit, developers will locate these projects in the Sand- and Hill-Sections, to take advantage of ocean views from the 50-foot height.

The 68 towers will increase the city population by 31%, from roughly 35,000 residents to 46,000.

I request instead, that the city requires 100% affordable housing. By this means, the city will purchase properties in less sensitive areas and lease them to developers for construction and operation. This keeps the affordable housing in the private sector. But as landlord, the city controls everything. No financial giveaway waivers to developers.

Five 100% buildings will provide the 406 affordable units and do it in compliance with the municipal code.

This solution will cost taxpayers about \$500 dollars a year for 30 years. That well-worth banning 50-foot buildings next door to houses.

I will not address the violations of the California Environmental Quality Act by the proposed Housing Element Upgrade, the HEU 100% affordable housing, however, will eliminate the CEQA violations.

The proposed HEU does include affordable housing at 20 units per acre, the area of Highrose. If the city requires Highrose to have 20 affordable units, then the developer gets two more waivers: One, a height increase to 62 feet; and two, a floor-area increase from 47% to 59%. For the 68 projects, that will increase the city population by 48%.

No question but that 100% affordable housing a no brainer.

Martha Alvarez

From: Elizabeth Shafer <c.elizabethshafer@gmail.com>
Sent: Tuesday, February 1, 2022 1:49 PM
To: List - City Council
Subject: [EXTERNAL] Mega Event?

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

To the unhonorable Stern:

Here we go again with the toxic policies that you, Stern, are in support of. Our crime is worse, not better! And now you support the obvious Marxist Black Lives Matter group to hold events at Bruce's Beach and play this crap that they call "music" as loud as they can? You are undoubtedly getting money to support these types of groups. You want to cripple the MBPD from doing their jobs. You want to trash our neighbors & take away our public parking.

Gascon's policies have definitely caused a change in crime in Manhattan Beach. It's worse, woman! Not Better!! And you are supporting a "no cash bail"?? WHY THE HELL WOULD YOU DO THAT? More money in your greasy pocket or are you just a toxic witch in general? YOU DON'T GIVE A CRAP ABOUT THE CITY, OUR POLICE, THE RESIDENTS, OR ANYTHING THAT REALLY MATTERS TO US. YOU JUST WANT TO IMPOSE YOUR FILTHY MARXIST CONDUCT ON US AND LAUGH ABOUT IT. People in this city are sick of your racial broadcasts and you.

Carol Elizabeth Shafer

Martha Alvarez

From: Cynthia Strand <strands739@verizon.net>
Sent: Tuesday, February 1, 2022 12:19 PM
To: List - City Council
Subject: [EXTERNAL] We need a historian

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council:

I urge you not to let Ms Hahn write any language for our plaque at Bruce's Beach. Please hire a historian to do research so that it properly reflects what happened, not a potentially distorted view of the facts. We need you to represent OUR community and not allow this important task to go to those with a political agenda - we need an unbiased historian to do this work.

Cyndi Strand

Sent from my iPad

Martha Alvarez

From: Lee Ann Schantz <liacobellis@hotmail.com>
Sent: Tuesday, February 1, 2022 12:05 PM
To: List - City Council
Subject: [EXTERNAL] Board Meeting Agenda Item 13: Exclusion of Bruce's Beach, 8th Street & Larsson Street

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Hello,

I have been living in the South Bay off and on for 30 years (currently a Hermosa Beach resident since 2006). I strongly oppose removing the Exclusion of Bruce's Beach, 8th Street and Larsson Street Parks, which, if approved, would allow large events and/or the serving of alcohol at these locations.

City Council members are elected by MB residents to make decisions on their behalf for the betterment of Manhattan Beach and to maintain its reputation as a desirable beach town in which to live. Traffic and parking is difficult now. Lifting this exclusion would undoubtedly make it much worse. It's not fair to the homeowners in these vicinities nor to neighboring South Bay residents who frequently visit and shop in Manhattan Beach.

Sincerely,

L. Schantz

Martha Alvarez

From: Scott C. Chambers <mbchambers4@roadrunner.com>
Sent: Tuesday, February 1, 2022 12:03 PM
To: List - City Council
Subject: [EXTERNAL] My concerns

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear city council, I am writing to ask you please vote no on the both the Bruce's Beach county plaque and no on allowing Mega Events. In fact the history of Bruce's Beach mentions the day 1700 people showed up for an event and that was when the city fathers decided they did not want a resort in their neighborhood. What, you never heard this story? Another reason to hire a professional historical company to do a thorough report on our history

Please vote no on changing any zoning for the High-Rose project.

Please vote no a low income housing.

Regards,
Scott C. Chambers

Sent from [Mail](#) for Windows

Martha Alvarez

From: JD <dumbachers@gmail.com>
Sent: Tuesday, February 1, 2022 11:56 AM
To: City Clerk; Mark Leyman
Subject: [EXTERNAL] Feb 1 Council Meeting Agenda comment item 22-0078 Parks Special Events
Attachments: MB council letter Feb 1 2022.pdf

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Hello. Please include this letter as part of public comments on agenda item 22-0078 Parks Special Events Policy

Thank you, Joseph Dumbacher

TO: Manhattan Beach Council Members
Mr. Mark Leyman, Parks and Recreation Director

RE: February 1, 2022 Council Meeting
22-0078 Parks Special Events Policy

As residents of Manhattan Beach we've enjoyed many of the parks, events and celebrations in Manhattan Beach. We are lucky to have numerous parks in our City that offer many different experiences. We will focus my comments on the use, size and location of the three parks impacted by the proposal.

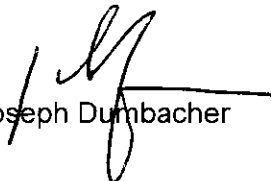
Last year my twin brother and I purchased 225 27th Street that faces Bruce's Beach. We are three doors west of Highland and the residence faces south over the park. This proposed change will directly impact us and our neighbors. For years we've enjoyed sitting at Bruce's Beach with a book and relaxing. It was not a surprise to me when I read on the City website page titled PARKS AND FACILITIES STATUS AT A GLANCE that Bruce's Beach includes the line "... numerous shade trees and park benches are strategically located near the top of the park for resting and relaxation." "Relaxation" is listed for each of the three parks impacted by this proposal. Many of the other parks in the City are more about recreation.

Does the current proposal try to promote different experiences and appeal to many groups of people or does it turn all the parks into the same experience and reduce the opportunity for varied experiences? The diagram on the PARKS AND FACILITIES page mentioned also gives a quick view of the size of the parks relative to the other parks. The three parks impacted are smaller in size than most of the other parks where large events currently take place.

All three of the parks are also located in residential settings with limited parking and accessibility in case of emergency. While the application for large events asks for parking information the wild card in these events is all the ride sharing companies and drivers. In the past it has proven difficult with large events to get independent ride sharing drivers to follow rules. I am very familiar with the huge impact ride sharing has had on events at the Rose Bowl and adjacent residential neighborhood.

In conclusion, we recommend Manhattan Beach does not approve the proposal submitted. Let's keep rest and relaxation in these three park spaces. The current rules for these three parks preserve a space for residents and visitors to have a quiet, enjoyable experience all the time. Other event experiences can be had at other places in town (including the public beach) with better emergency access and more open space and less disruption to residential areas.

Thank you for your consideration,


Joseph Dumbacher


John Dumbacher

225 27th Street
Manhattan Beach, CA 90266
212.925.1234

Martha Alvarez

From: Charles Southey <charlessouthey@aol.com>
Sent: Tuesday, February 1, 2022 11:49 AM
To: List - City Council
Subject: [EXTERNAL] No to Hahn and interfering in our city history.

Importance: High

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear City Council,

Please VOTE NO on Council Agenda #24 and do not let Janice Hahn interfere in plaque writing and placement. She is a politician with an agenda and has zero experience as a historian.

Please keep Janice Hahn out of our city. Please do not shift any of your authority to her office. Not only does she have enough on her plate, she seems more interested in photo ops and press than what is truly best for the residents of Manhattan Beach. Along the same vein, please strongly consider hiring a professional historian to write the city history and develop verbiage for the plaque.

This is an incredibly visible project and should be completed by a team of qualified, professional and experienced historians.

Sincerely,

Charles Southey
743 27th street

Martha Alvarez

From: HL Badminton <hlcorp7@hotmail.com>
Sent: Tuesday, February 1, 2022 11:34 AM
To: List - City Council
Subject: [EXTERNAL] Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council Members,

Please do not turn over the responsibility to write the plaque for Bruce's Beach to outside entities with political and financial interests contrary to those of the residents of Manhattan Beach.

The harm done by governments of the past in so many instances related to race, fear and bigotry must not be forgotten. But the actual history in context must also be preserved, and subjective assignment of blame to a current generation far removed from the acts of prior governments is just another injustice brought about by government.

The sins of the parents should not be born by the children, nor should the success of one generation be confiscated by the next.

Thank you,

Dean Schoppe
1461 A MB Blvd
MB CA 90266
310-505-3535 cell

Martha Alvarez

From: Kathy and Wally <kpmiglin@gmail.com>
Sent: Tuesday, February 1, 2022 11:05 AM
To: List - City Council
Subject: [EXTERNAL]

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Don't allow City Council to shift their authority and responsibility to the County for proclaiming the MB official history of the eminent domain of Bruce's Beach.

Thank you,
Kathy and Wally Miglin

Martha Alvarez

From: Wally Miglin <kpmiglin@gmail.com>
Sent: Tuesday, February 1, 2022 10:45 AM
To: List - City Council
Subject: [EXTERNAL] Please no high rise on Rosecrans

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Kathy and Wally Miglin

Martha Alvarez

From: Gregory Miller <gammd45@gmail.com>
Sent: Tuesday, February 1, 2022 10:15 AM
To: List - City Council
Subject: [EXTERNAL] Plaque for Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council Members,

I am writing again to request that the Plaque for Bruce's Beach be researched and written by professional historians. There would be a minimal cost for this service but a great benefit to the credibility of the product. Previous proposed versions of the Plaque language have contained unsupported inferences and inaccurate generalizations.

This needs to be done right. Please retain the right people to do it. Thank you.

Greg Miller
(Mira Costa, 1962 and lifetime resident)

Martha Alvarez

From: gifford cast <giff1@pacbell.net>
Sent: Tuesday, February 1, 2022 9:59 AM
To: List - City Council
Subject: [EXTERNAL] Unfair and Illegal 84 unit building proposed at Rosecrans and Highland

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I am surprised that our elected representatives, the City of Manhattan Beach and adjacent communities have allowed this project to continue. I would like to speak at one of the public meetings at the City when, or if, this project will be discussed. As already noted, projects of this kind violate all the laws and honest public work done since the incorporation of Manhattan Beach in 1911. The result will continue to be more people moving out of Manhattan Beach and California. I am sure that will please Gavin Newsome and the State Legislators. We have no representation ! Gifford Cast

Martha Alvarez

From: D <dennymb@aol.com>
Sent: Tuesday, February 1, 2022 9:49 AM
To: List - City Council
Subject: [EXTERNAL] Bruce Beach History

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council Members,

Please oppose Janice Halns' plan to write another version of Bruce's Beach History. Totally unnecessary!

Thank you,

Denny Gregory
433 35th
,

Martha Alvarez

From: john whitaker <bonefish27@aol.com>
Sent: Tuesday, February 1, 2022 8:07 AM
To: List - City Council
Subject: [EXTERNAL] Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please keep Janice Hahn out of our city and and not let her play political football with our town. Do the jobs you were elected to do.

JW

Martha Alvarez

From: Mahlone Becker <mahlonegiese@gmail.com>
Sent: Tuesday, February 1, 2022 7:33 AM
To: List - City Council
Subject: [EXTERNAL] Vote NO ON agenda item 24

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Manhattan Beach Council members,

Please vote NO on agenda item 24. Manhattan beach does NOT want Janice Hahn involved in the Bruce's Beach situation. Janice Hahn is inserting herself for the purpose of furthering the reparations movement declared by our Governor Gavin Newsome. To make matters worse this will lead to an inaccurate account of our Manhattan Beach history as being rooted in racism. This is inaccurate. I am once again strongly requesting we hire a professional firm to research and write this history and plaque for Bruce's Beach. I realize there is a bigger agenda here but please do not email me back and say there are no companies that do this as I was told last time I wrote in on this. The fact is there are professional companies that do this historical account, research, and writing for city, county, state, and national plaques and monuments.

Respectfully,

Mahlone Becker

Sent from my iPhone

Martha Alvarez

From: GWPOP Talk <gwpopstalk@gmail.com>
Sent: Monday, January 31, 2022 9:41 PM
To: List - City Council
Subject: [EXTERNAL] The Plaque at Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear City Council,

I'm sure you have heard the rumblings of Janice Hahn and cohorts and their agenda to push forward and write their own plaque with their own version of the history of Bruce's Beach and place it on the wall of the LifeGuard Station. Please do not give into this clearly political move.

You know the facts and that is what this plaque needs to be: A simple history of the events. Nothing more, nothing less. And we certainly do not need two plaques.

My understanding is the City Council will write the copy for the plaque and decide the location of where the plaque will be installed.
End of story.

This whole saga has gone on way too long and most residents would like to see this plaque (written by the City Council of Manhattan Beach) installed and this whole plaque scenario come to an end.

Then all that is left is to rename the park which never belonged to the Bruce Family. After that, hopefully, everyone can stop thinking and talking about this stuff that happened over a 100 years ago and absolutely no one living is responsible for one or the other.

We have had a few turbulent years and we all deserve a break from issues of race, alphabetized sexual preference of an extremely minor portion of our community and political grandstanding. Let the majority rule and let the facts speak for themselves.

Thank you and here's wishing you much luck in Tuesday eve's Council Meeting. You are all doing a great job and it is not an easy time to represent the City Residents yet, I applaud how you handled 2021 and have faith you will do so in 2022. Stand strong.

My Best,
Amanda

Amanda Hunter
GWPOP, INC
1230 6th Street
Manhattan Beach, CA 90266

Martha Alvarez

From: coastaldefendermb@gmail.com
Sent: Monday, January 31, 2022 9:31 PM
To: Hildy Stern; Joe Franklin; List - City Council; Richard Montgomery; Steve Napolitano; Suzanne Hadley
Cc: Bruce Moe; Quinn Barrow; Paige Meyer; Liza Tamura; Martha Alvarez; Ted Faturos
Subject: [EXTERNAL] : Solution to HEU Affordable Housing
Attachments: 220128-AffordableHousing-Solution-Final.pdf

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

1 February 2022

Hildy Stern, Mayor
City of Manhattan Beach

Via Email: citycouncil@citymb.info

Subject: Solution to HEU Affordable Housing

Mayor Stern and Councilmembers.

The attachment summarizes a solution for the city to provide the 407-unit shortfall in affordable housing by 2029, in compliance with both CEQA and the zoning code. No bonus-density waivers needed for this version of the Housing Element Update ["HEU"]

Starting with the Highrose project at Rosecrans and Highland, the city can purchase the property and lease it to developers for construction and operation of 100% affordable housing. That way, the public-housing operation remains in the private sector. The city, however, will have landlord authority to ensure compatibility with law, specifically, the General Plan, the Local Coastal Program and the General Plan. Same as they do for Metlox.

The city will have total control, rather than the developers, with their unending demands for financial incentives.

The city will need only five such 100% affordable projects to meet the 407-unit quota. In contrast, to provide that many units, the current HEU will require 68 projects the size and 50-foot height of Highrose, considering its meager six affordable units.

The costs easily managed. Based on a professional appraisal for a coastal property almost identical to Highrose, the city can finance the five acquisitions with a piddly increase in property taxes, amounting to \$376-\$522 per year per each taxpayer, for interest rates 4%-7%.

To ensure the purchases, the city could pay twice the appraised value, upon which the above property-tax increases based.

If an owner refuses to sell for twice the property value, the city can then exert its power of eminent domain to acquire the property at that price. That an incredible negotiating tool.

The attachment also establishes that the environmental impact report for the HEU blatantly violates CEQA. Consequently, the HEU invalid, as it stands. The solution outlined above eliminates the CEQA violations.

I request that the city council directs staff to pursue the above 100% affordability solution in the HEU. Otherwise, as is, it will start dead on arrival, as have all in California cities during past decades.

Thanks for considering this solution to the affordable housing enigma,

Don McPherson, President

Coastal Defender

1014 1st St, Manhattan Beach CA 90266

Cell: 310 487 0383

coastaldefendermb@gmail.com

HOUSING ELEMENT UPDATE VIOLATES CEQA; CITY PROPERTY PURCHASE SOLVES PROBLEM!

1.0 EXECUTIVE SUMMARY.

Per the Housing Element Update [“HEU”], Manhattan Beach has a quota of 407 new-affordable units to acquire by 2029.¹ The HEU Environmental Impact Report, however, violates the California Environmental Quality Act [“CEQA”], by failing to evaluate impacts from CEQA factors, such as: 1) Increased traffic; 2) New services needs; and, 3) Population growth.

The Environmental Impact Report [“EIR”] lacks an affordable-housing model to evaluate environmental impacts, yet it declares all CEQA factors as either ‘Less than Significant Impact’ or ‘No Impact.’ For example, the EIR states, “*potential air quality impacts including potential sensitive receptors are unknown at this time.*”² [Emphasis added] Then in an unsupported statement, the EIR claims air-quality impacts as ‘Less than Significant Impact’. [ibid. PDF p. 58]

Such conflicting EIR statements repeatably made for the 21 CEQA evaluation factors.

Staff currently evaluates the Highrose affordable-housing project at Highland and Rosecrans, which provides a proxy to model and evaluate environmental impacts. The project has six affordable units, which qualify it for: 1) 50-foot height vs 30-ft code; 2) Floor Area Factor [“FAF”] 2.2 vs 1.5 code; and, 3) A 51 parking-space reduction from code. The FAF of 2.2 equates to a 47% increase in floor area permitted by the municipal code requirement of 1.5 FAF.

Do the math: 407 required affordable units/6 Highrose affordable units = **68 Highrose projects, all 50-feet high**, to meet the 407 affordable-unit quota.

Why did the Highrose developer not increase the number of affordable units?

Answer: Developers know that profits maximize at the minimum threshold needed to qualify for affordable housing. For proof, consider the above three waivers of 50-ft height, floor-area increase of 47% and parking reduction of 51 spaces. At the beach, who would need anything more than that to make a financial killing?

The 68 projects will also increase the city population by 31%, from 35,058 to 45,802.³ To maximize profits, developers will build mostly west of Sepulveda Blvd for ocean views from the 50-ft high buildings. This will increase Hill- and Sand-Section populations more than 36%.

PROBLEM SOLVED! Starting with Highrose as 100% affordable housing, the city can purchase the property and lease it to developers for construction and operation, **compliant with municipal code**. That way, the public-housing operation remains in the private sector, but the city will have landlord authority to ensure compatibility with city policies.

Per below, the city will need only five such 100% affordable multi-units to meet the 407 quota. The costs easily managed. Based on a professional appraisal for a coastal property almost identical to Highrose, the city could finance the five acquisitions by a small increase in property taxes, amounting to \$188-\$261 per year per each taxpayer, for interest rates 4%-7%.

To ensure purchases, the city could pay twice the appraised value, raising the annual tax increase to \$376-\$522, a piddly amount for solving such an intractable problem. If an owner refuses to sell for twice the property value, the city can exert its power of eminent domain.

After 30 years, the mortgage paid-off and the city will receive market-rate rents.

¹ 6th Cycle *Housing Element*, PDF p. 13, last ¶; Dudek; January 2022

² *Final Negative Declaration*, 6th Cycle Housing Element Update, PDF p. 58, last ¶; Dudek; January 2022.

³ Footnote 1, PDF p. 78, last ¶; Dudek; January 2022

HOUSING ELEMENT UPDATE VIOLATES CEQA; CITY PROPERTY PURCHASE SOLVES PROBLEM!

2.0 THE FACTS: THE HEU EIR VIOLATES CEQA.

CEQA Guidelines § 15074(b) states:

*“Prior to approving a project, the decision-making body of the lead agency shall consider the proposed negative declaration or mitigated negative declaration together with any comments received during the public review process. The decision-making body shall adopt the proposed negative declaration or mitigated negative declaration only if it finds on the basis of the whole record before it (including the initial study and any comments received), **that there is no substantial evidence that the project will have a significant effect on the environment** and that the negative declaration or mitigated negative declaration reflects the lead agency’s independent judgment and analysis.”* [Emphasis added]

A comprehensive critique of the mortally flawed EIR not possible herein. This report shall serve to provide some, but not all, substantial evidence of significant effects on the environment. Other substantial evidence incorporated by reference to the EIR and HEU.

The EIR lacks a model to evaluate environmental impacts from creating 407affordable units by 2029. For a model to assess environmental impacts, this report uses 68 proxies of the Highrose project located at Highland and Rosecrans, which has the following municipal code waivers: 1) 50-ft height; 2) FAR of 2.2; and, 3) A 51-space parking reduction. [Exhibit 1⁴] It assumed that Highrose complies with the myriad regulations for affordable housing.

EIR^[2] 3.17 Transportation; CEQA Violations.

The EIR did not conduct a level-of-service traffic analysis of the impacts that will result from the 31% increase in population created by the 68 Highrose proxies.

Driven by ocean views from lofty fifty-foot-high buildings, this population increase will locate mostly in the Sand and Hill Sections. The traffic will aggregate on Manhattan Ave, Highland Ave, Manhattan Beach Blvd and Rosecrans Ave in the coastal zone and on Sepulveda Blvd at the east boundary of the Hill Section, all heavily used corridors.

Without conducting any traffic analysis of vehicle-miles traveled or other measures, the EIR concludes less than significant traffic impacts from the 31% increase in city population concentrated around the coastal and Sepulveda corridors. The EIR states no conflict with CEQA Guidelines § 15064.3(b), which simply states that the lead agency must analyze traffic impacts by whatever means applicable. [EIR PDF p. 172] The city has failed to analyze traffic impacts from the 31% population increase, so therefore, has violated CEQA.

The HEU summarizes potential sites for affordable-housing projects at Table 15, EIR PDF pp. 313-316. The survey does not include the property at 600 S. Sepulveda Blvd [“600 PCH”], temporarily used by Skechers for parking and a cafeteria. This property with 81,775 sq-ft area would almost double the Highrose unit count, namely 148 units versus 79, both having only six affordable units to qualify for the municipal code waivers.

The 600 PCH property currently in litigation from a CEQA lawsuit, for which traffic impacts a major argument. Exhibit 2 provides the opening brief, which shall serve as evidence in the record for CEQA violations by the HEU.

⁴ *Plans for Highrose Development* [Annotated], Community Development, City of Manhattan Beach; Undated

HOUSING ELEMENT UPDATE VIOLATES CEQA; CITY PROPERTY PURCHASE SOLVES PROBLEM!

EIR^[2] 3.19 Utilities and Service Systems; CEQA Violations.

Would the project “Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?” [EIR PDF p. 185]

The EIR states less than significant impact for five candidate sites that have multi-acre areas that greatly exceed the Highrose 43,549 sq-ft area, exactly one acre.

These five sites listed in HEU Table 15, PDF pp. 313-316, namely: 1) # 20, 5 AC; 2) # 31, 4.8 AC; 3) # 32, 7.5 AC; 4) #33, 5.4 AC; and, 5) # 34, 3.3 AC.

It absurd that the EIR states development of these sites for hundreds of units each, including the six affordable units, would not require major construction of water, electric power, natural gas and telecommunication facilities.

This CEQA argument for utilities and service systems included in the Exhibit 2 opening brief for 600 PCH at p. 11.

EIR^[2] 3.14 Population and Housing; CEQA Violations.

Would the project “induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?” [EIR PDF p. 153]

The EIR answers this question by citing the city population decreased by 0.22% during 2010-2021. [EIR PDF p. 150] It states, “As an essentially built-out city, there continues to be few opportunities for growth, except through redevelopment/infill on existing parcels.” [ibid.]

In their EIR, looking backwards, the city completely ignores the 31% increase in population that will result from the 68 Highrose proxy projects. At only six affordable units per project, it takes 68 to reach the 407-unit goal.

Furthermore, the city relies on CEQA exemption from infill projects, not only for the Population and Housing factor, but for all CEQA factors listed in the EIR. The city has no 50-foot high buildings in the commercial and residential zones. It never has conducted an EIR for 50-foot high projects in the zones. Consequently, every cite in the EIR to the infill exemption invalid. That counts as 42 violations of CEQA.

3.0 THE CITY PROPERTY PURCHASE SOLUTION.

This section summarizes the solution to the above CEQA violations, by city purchase of property for 100% affordable housing and leasing to developers for construction and operation. The project financed by a 30-year bond paid for by a piddly increase in annual property taxes.

The financing discussed first.

Project Financing.

Exhibits 3 & 4 address a February 2019 appraisal conducted by Epic Land Solutions, Inc. [“Epic”], for a commercial property that closely resembles Highrose. Exhibit 3 illustrates that the Encinitas Portofino Hotel located in the coastal zone, a ten-minute walk to the beach, like Highrose. Encinitas a high-value real-estate market, same as Manhattan Beach.

HOUSING ELEMENT UPDATE VIOLATES CEQA; CITY PROPERTY PURCHASE SOLVES PROBLEM!

Epic estimated the Portofino Hotel had a 2019 value of \$3.9 MM. [Exhibit 4, PDF p. 2] Scaling this appraisal to Highrose by parcel areas results in an appraised value of \$11.5 MM. Consider: $[(43,549 \text{ sq-ft Highrose}/14,728 \text{ sq-ft Portofino}) * \$3.9 \text{ Portofino} = \$11.5 \text{ MM Highrose}]$

The total purchase cost of five Highrose proxies amounts to \$57.5 MM. For a 30-year bond, this equates to an average annual payment of \$188-\$261 per taxpayer, 17,510 of them.

This report proposes that the city will negotiate payments to property owners of twice the appraised values, which increases the average property tax increase to \$376-\$522 per year.

If an owner refuses to receive twice the value of their property, the city can take it at that value by exercising their power of eminent domain.

100% Affordable Housing.

The 100% affordable-housing approach greatly reduces the luxurious floor areas in the Highrose design, of 512 sq-ft for studios and 1,724 sq-ft for three bedrooms. [Footnote 4, p. 1] As result, the Highrose project will fit into the top two floors of a code-compliant 30-ft-high building and will comply with CEQA.

The ground level dedicated to reserved business employee parking, thus freeing up invaluable city parking for the public, a big plus for Coastal Commission approval. Per the Highrose design, residents will have code-compliant parking in two subterranean levels.

This approach will provide the first expansion of city public parking in many decades.

Exhibit 5 illustrates a 350 sq-ft studio in Encinitas, as posted on the Zillow real-estate posting service. This rental in the coastal zone at 225 Melrose Ave, per Exhibit 3. Compare that with the 512 sq-ft studio for Highrose.

The 100% affordable approach adds 150 sq-ft bedrooms to the studio design, for floor areas of: 1) 1-bedroom, 500 sq-ft; 2) 2-bedrooms, 650 sq-ft; and, 3) 3-bedrooms, 800 sq-ft. This provides 75 affordable units that fit into the 2nd and 3rd floors of the Highrose design.

During the week ending January 22, the Exhibit 5 posting, listed at \$1,500 per month, received 6,600 hits, with over 70 persons emailing interest. The typical Zillow posting receives a couple 100 hits a month. The \$1,500 rent corresponds to a \$4,500 per month income, consistent with the Housing and Urban Development very low income for Los Angeles County, Exhibit 6.⁵

The facts show that a 100% affordable housing project at Highrose will work.

4.0 THE HEU EIR VIOLATES CEQA; 100% AFFORDABLE HOUSING SOLVES THE PROBLEM.

- The HEU EIR fails to evaluate impacts from factors, such as: 1) Increased traffic; 2) New services needs; and, 3) Population growth, thereby violating CEQA;
- Solution: The city can purchase properties for 100% affordable housing and lease them to developers for construction and operation, **compliant with municipal code and CEQA;**
- At purchase prices twice the appraised value, five 100 % affordable projects will provide the required 407 units, at average cost to a taxpayer of \$376-\$522 per year; and,
- The city must amend the Housing Element Update with the 100% affordable solution.

⁵ FY 2021 Income Limits Documentation System, Los Angeles County; Housing and Urban Development

EXHIBIT 1. SUMMARY OF HIGHROSE PROJECT DEVELOPMENT

Highrose El Porto



Plans for Highrose El Porto Development

Public Comment

If you'd like to make a comment about the project, please email tfaturos@manhattanbeach.gov and your comment will become part of the public record.

Public comment received through January 19, 2022

Public comment received on January 20, 2022

Public comments received between January 20, 2022 and January 24, 2022

Floor Area Factor 1.5 for CNE zoning
HighRose: $96,217/43549=2.21$
Code: $43549 \times 1.5=65,323.5$
100%: $39,546/43549=0.9081=0.9081$ or
 $(39536/2) \times 3=59,319/43549=1.3621$

FREQUENTLY ASKED QUESTIONS

Where is the project located and what is being proposed?

The project is proposed on two contiguous lots, 401 Rosecrans Avenue and 3770 Highland Avenue, which are proposed to be merged into a single 43,549 square-foot parcel to accommodate the project. The project proposes demolition of a banquet facility (Verandas) and multiuse commercial building (Tradewinds Village building) and subsequent construction of a 96,217 square-foot multifamily residential building with 79 rental dwelling units. The developer is utilizing a density bonus pursuant to State law, inclusive of waivers and concessions.

The 79 dwelling units would include 21 studio apartments, 11 one-bedroom apartments, 40 two-bedroom apartments, and seven three-bedroom apartments. The apartments range in size from 512 square feet to 1,727 square feet, comparable to standard rental units throughout the City. Six of the 79 dwelling units will be set aside for "very low

$10,752 + 8,250 + 48,000 + 12,089 = 79,091$ SF living area/2 39,546 SF two-story living space

EXHIBIT 1. SUMMARY OF HIGHROSE PROJECT DEVELOPMENT

income” households, with the remaining 73 dwelling units being market-rate dwelling units.

MBMC 10.64.030. $79 \text{ units} \times 2 = 158 \text{ spaces}$. $79 \text{ units} \times 0.25 \text{ guest spaces} = 19.8 + 158 \text{ spaces} = 177.8 \text{ or } 178 \text{ spaces vs } 127 = 51 \text{ space deficit}$

The project proposes two floors of subterranean parking, containing a total of 127 automobile parking spaces, seven motorcycle parking spaces, and 27 bicycle parking spaces. The minimum required number of parking spaces for the project under State Density Bonus laws is 103 parking spaces.

The public notice for the project was mailed on January 6, 2022 after the project application was deemed complete.

How is “very low income” defined?

The US Department of Housing and Urban Development (HUD) calculates the median family income for the Los Angeles-Long Beach-Glendale, CA area, and then defines “Very Low Income” in relation to the median family income.

For fiscal year 2021, HUD has calculated that the median family income for the Los Angeles-Long Beach-Glendale, CA area to be \$80,000, with the “very low income” determined to be \$59,100 for a family of four, or \$41,400 for an individual. More information regarding income limits can be found on HUD’s website.

Is the project subject to discretionary review?

Pursuant to State and local regulations, the utilization of density bonus law and the incorporation of affordable housing qualify the project for a streamlined, administrative, non-discretionary Precise Development Plan review, which subjects all components of the application to a ministerial review process.

Staff conducts a ministerial review of the project for compliance with Municipal Code requirements and applicable State law, but the City has no authority to conduct a discretionary review process. Furthermore, administrative non-discretionary projects are not subject to the California Environmental Quality Act (CEQA), therefore environmental review is not required. State law does require expeditious processing of density bonus projects; in compliance with this requirement, the City’s administrative non-discretionary process for density bonus projects has been in place since 2013.

When will a decision be made on whether the City will approve or deny the project?

The affordable housing component of this project subjects the application to a ministerial (non-discretionary) process, which means that the decision is made at the staff level (i.e. Director’s decision) and based solely on compliance with applicable regulations. No public hearing is required for staff level decisions. **The Director of Community Development is expected to issue a decision on the project during the first week of February 2022.** To clarify, no decision has yet been issued on this project.

In accordance with MBMC 10.100.010, decisions of the Community Development Director may be appealed to the Planning Commission, and decisions of the Planning Commission may be further appealed to the City Council. The appeal period ends at the close of the business day for City Hall on the 15th day following the Director’s decision. If the 15th day falls on a day when City Hall is closed, the appeal period ends at the close of business on the next working day.

EXHIBIT 1. SUMMARY OF HIGHROSE PROJECT DEVELOPMENT

The fee to file an appeal is \$500. All persons who submitted a public comment will receive a notice of decision via email, once the decision is issued. Detailed instructions on how to file an appeal will be in that email. Appeals are limited to whether the project complies with established development standards and regulations and must maintain a non-discretionary process. Again, the project would be scheduled on the agenda for a Planning Commission meeting only if the Director's decision is appealed.

What role do State Density Bonus regulations and the City's Affordable Housing Density Bonus and Incentive Program play in the project?

State Density Bonus laws (California Government Code Sections 65915 – 65918) include a range of incentives for developers to incorporate affordable housing into their residential developments. Among other things, State Density Bonus laws allow developers to exceed the maximum density requirements as specified in a City's zoning code if certain criteria are met, like setting aside a certain percentage of the total units in the project aside for very-low income occupants. In addition, State Density Bonus laws allow developers to request waivers from development standards, like setback and height requirements. Furthermore, the utilization of density bonus law and the incorporation of affordable housing qualify the project for a streamlined, administrative, non-discretionary Precise Development Plan review, which subjects all components of the application to a ministerial review process.

The City's Municipal Code (MBMC Chapter 10.94 and MBLCP Chapter A.94) mirror State Density Bonus laws by allowed for similar waivers and concessions from development standards in order to build affordable housing projects in the City.

What waivers and concessions has the developer requested under State Density Bonus laws, MBMC Chapter 10.94, and MBLCP Chapter A.94?

As allowed under State law and local regulations, the developer has requested waivers for the maximum buildable floor area (BFA), the maximum numbers of stories, the maximum height, and a setback waiver for portions of the structure with walls greater than 24 feet in height.

As allowed under State law and local regulations, the developer has requested a concession for the maximum height of a wall/fence within the front setback.

How many units would be allowed on the site if State Density Bonus laws and the City's Affordable Housing Density Bonus and Incentive Program were not utilized?

Per MBMC 10.16.030 (A), MBLCP A.16.030 (A), MBMC 10.12.030, and MBLCP A.12.030, a total of 51 units would be allowed on the site if no State Density Bonus laws were utilized.

How much Buildable Floor Area (BFA) would be allowed on the site if State Density Bonus laws and the City's Affordable Housing Density Bonus and Incentive Program were not utilized?

EXHIBIT 1. SUMMARY OF HIGHROSE PROJECT DEVELOPMENT

Per MBMC 10.16.030 (A), MBLCP A.16.030 (A), MBMC 10.12.030, and MBLCP A.12.030, a total of 74,033 square feet of BFA would be allowed on the site if no State Density Bonus laws were utilized.

Why did I not receive a notice in the mail?

Per MBLCP A.96.110, “property owners and residents within 100 feet of the perimeter of the subject parcel” must receive a notice. All mailings must be prepared in accordance with the Community Development Department’s Radius Map Packet instructions. A notice was mailed on January 6th after the project application was deemed complete.

Why wasn't I notified earlier?

Per MBLCP A.96.110, the notice “shall be given within 10 days of acceptance of the application or at least seven days prior to the local decision date.” The notice was mailed on January 6, 2022 after the project application was deemed complete, and the Director of Community Development is expected to make a decision (aka “the local decision”) during the first week of February, 2022. **Thus, the notification period exceeds the minimum required window of time for a notice.**

Is this a SB 9 project?

No, this project does not utilize SB 9. More information on the City's actions on SB 9 can be found on our website.

Is the land where the City-owned parking lot (Lot 4) at the northeast corner of Highland Avenue and Rosecrans Avenue being demolished and being incorporated into the project?

Lot 4 is **not** being demolished or affected by the project. All public parking spaces at Lot 4 would remain. A wall/fence located on the project site is being proposed between the development and Lot 4.



EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

TABLE OF CONTENTS

Page No.

1		
2		
3	I.	INTRODUCTION7
4	II.	STATEMENT OF FACTS8
5		
6	A.	The Project Site.....8
7	B.	The Project.....8
8	III.	STANDARD OF REVIEW10
9		
10	A.	California Environmental Quality Act10
11	B.	Municipal Code and Brown Act.11
12	IV.	ARGUMENT11
13	A.	The City’s Approval of the Project Violates CEQA,.....11
14		
15	1.	The Project Does Not Fit Within a Class 32 Exemption Due to Its Impacts.....11
16	2.	The Project Falls Within Exceptions to the Claimed Categorical Exemption.....11
17		
18	a.	Unusual Circumstances Would Result in Significant Impacts.....12
19	b.	A Categorical Exemption is Unavailable Due to Cumulative and Project Specific Traffic Impacts.....12
20	c.	A Categorical Exemption is Unavailable Due to Project Noise Impacts14
21	d.	Inconsistency with City Code Requirements for Parking Prevent Application of an Exemption16
22	e.	Impacts to Sewer Capacity Would be Significant17
23		
24	3.	CEQA Does Not Permit Use of Mitigation Measures for an Exemption18
25		
26		
27		
28	B.	The Project’s Approval Violates the City’s Municipal Code19

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

C. The City Violated the Brown Act During the Project’s Approval Process20

V. CONCLUSION.....21

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

TABLE OF AUTHORITIES

STATE CASES	Page No.
<i>Aptos Residents Assn. v. County of Santa Cruz</i> (2018) 20 Cal.App.5th 1039	13
<i>Audio Visual Services Group, Inc. v. Superior Court</i> (2015) 233 Cal.App.4th 481	11
<i>Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster</i> (1997) 52 Cal.App.4th 1165 (“Azusa Land”)	10, 12, 18, 19
<i>Berkeley Hillside Preservation v. City of Berkeley</i> (2015) 60 Cal.4th 1086	10, 12
<i>California Clean Energy Committee v. City of Woodland</i> (2014) 225 Cal.App.4th 173	18
<i>Citizens for Responsible & Open Government v. City of Grand Terrace</i> (2008) 160 Cal.App.4th 1323	14
<i>City of Pasadena v. State of California</i> (1993) 14 Cal.App.4th 810	18
<i>Communities for a Better Environment v. South Coast Air Quality Management Dist.</i> (2010) 48 Cal.4th 310	14
<i>County of Inyo v. Yorty</i> (1973) 32 Cal.App.3d 795	16
<i>Fairbank v. City of Mill Valley</i> (1999) 75 Cal.App.4th 1243	10
<i>Keep Our Mountains Quiet v. County of Santa Clara</i> (2015) 236 Cal.App.4th 714	13, 14
<i>Kings County Farm Bureau v. City of Hanford</i> (1990) 221 Cal.App.3d 692	13
<i>Lewis v. Seventeenth Dist. Agricultural Assn.</i> (1985) 165 Cal.App.3d 823	12, 18
<i>Muzzy Ranch Co. v. Solano County Airport Land Use Com.</i> (2007) 41 Cal.4th 372	10

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 *No Oil, Inc. v. City of Los Angeles*
 (1974) 13 Cal.3d 68 10, 16

2

3 *Ocean View Estates Homeowners Assn., Inc. v. Montecito Water Dist.*
 (2004) 116 Cal.App.4th 396 13

4

5 *Pocket Protectors v City of Sacramento*
 (2004) 124 Cal.App.4th 903 13

6 *Salmon Protection & Watershed Network v. County of Marin*
 (2004) 125 Cal.App.4th 1098 18

7

8 *San Joaquin Raptor Rescue Center v. County of Merced*
 (2013) 216 Cal.App.4th 1167 11, 20

9

10 *Santa Monica Chamber of Commerce v. City of Santa Monica*
 (2002) 101 Cal.App.4th 786 10

11

12 *Save Our Carmel River v. Monterey Peninsula Water Management Dist.*
 (2006) 141 Cal.App.4th 677 11

13

14 *Sierra Club v. County of Sonoma*
 (1992) 6 Cal.App.4th 1307 11

15 *Taxpayers for Accountable School Bond Spending v. San Diego Unified School Dist.*
 (2013) 215 Cal.App.4th 1013 17

16

17 *Voices for Rural Living v. El Dorado Irrigation Dist.*
 (2012) 209 Cal.App.4th 1096 12

18

19 *Wildlife Alive v. Chickering*
 (1976) 18 Cal.3d 190 11

20

STATUTES

GOVERNMENT CODE

25 § 54950 20

26 § 54952 20

27 § 54954.2 20

28 § 54954.3 20

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

PUBLIC RESOURCES CODE

§ 21084.....18

CA CODE OF REGULATIONS TITLE 14 (CEQA GUIDELINES)

§ 15061.....18

§ 1506410, 12, 16

§ 15300.2.....10, 11, 12, 13, 18

§ 15332.....11

§ 15355.....13

MANHATTAN BEACH MUNICIPAL CODE

§ 5.48.140.....19

§ 5.48.16015, 19

§ 10.64.03016

§ 10.64.040.....16, 19

1
2
3
4
5
6
7
8
9
10
11
12
13
14
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EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 I. INTRODUCTION

2 This action challenges the City of Manhattan Beach’s (“City’s”) failure to comply with the
3 California Environmental Quality Act (“CEQA”), the City’s Municipal Code, and the Brown Act in
4 approving a retail commercial project at 600 Sepulveda Avenue in the City proposed by MB Hotel
5 Partners, LLC. This proposed project provides for the development of a new 162-room, 81,775 square-
6 foot hotel and a 16,348 square foot retail and office building at 600 S. Sepulveda (“Project”). The
7 proposal would make this the tallest building along Sepulveda Boulevard in Manhattan Beach. Parking
8 would be severely lacking, as only 152 parking spaces would be provided, despite the Project requiring
9 243 parking spaces under applicable provisions of the Municipal Code. The Project would have
10 relatively significant impacts in an area of Manhattan Beach renowned for its peace and quiet, known as
11 “the Poets Section,” with streets named after celebrated poets Keats, Tennyson, and Shelley.

12 The Project requires a discretionary approval of a Master Use Permit, thus necessitating
13 compliance with CEQA. This discretionary review provided the City the ability to impose conditions of
14 approval to reduce the impacts associated with the Project. For example, restrictions on the height,
15 design, building placement, and hours of operation were imposed but would not eliminate impacts.

16 The City improperly approved this impactful Project based upon a Class 32 categorical
17 exemption to environmental review under CEQA for infill development that has no unusual impacts.
18 This categorical exemption is inapplicable because the Project would result in traffic impacts due to
19 increased commercial traffic using quiet residential streets and busy city thoroughfares, increased traffic
20 on a state highway (Sepulveda Boulevard) with short sightline distances in this critical area, and create a
21 parking demand in severe excess of the parking capacity of the site. The Project would also have
22 adverse noise impacts on the surrounding residential community both during construction and
23 operations. The use of a categorical exemption is also improper because the Project required conditions
24 of approval to mitigate potential impacts. No exemption is permissible where mitigation measures are
25 necessary to reduce impacts below a level of significance. For all of these reasons, the City should have
26 required a full environmental impact report (EIR) to determine the extent of the Project’s impacts, and
27 require Project revisions and mitigation measures to address those impacts.

28

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 II. STATEMENT OF FACTS

2 A. The Project Site.

3 The Project site is located at 600 South Sepulveda Boulevard in the City of Manhattan Beach.
4 (Administrative Record (“AR”) 1: 1; 6: 46.) The site is zoned CG-D8, General Commercial- Sepulveda
5 Boulevard Corridor Overlay. (AR 6: 53.) The surrounding properties are zoned CG-D8 to the north,
6 CG General Commercial to the south, RS Single-Family Residential to the east, and a narrow
7 commercial strip and Single Family Residential to the west. (AR 2: 25; 7: 99.)

8 The site was formerly used as an El Torito restaurant. However, that restaurant vacated the site
9 in late 2018. The site is stated to be a 65,419 square foot lot. (AR 124:5396.) The restaurant occupied
10 8,500 square feet of the site. (AR 6:54.) Skechers occupied the site since 2019, using the restaurant
11 building as a cafeteria and meeting space while using the parking lot as parking for Skechers employees
12 impacted by construction at Skechers’ new office buildings along Sepulveda Boulevard. (AR 6:54.)

13 B. The Project.

14 In early 2019, the City approved the Sepulveda Boulevard Corridor Overlay. (AR 1:2.) Among
15 other changes to long-standing zoning and land use restrictions in the area, this Overlay allowed a 40-
16 foot height limit for hotel uses in the D8-Sepulveda Corridor Overlay Zone. (AR 2:27.) No
17 environmental review of the Overlay Zone was conducted. (AR 68:2475.) The Ordinance approving
18 the Overlay stated: “Future discretionary development projects shall be subject to CEQA and shall be
19 subject to environmental review.” (Ordinance No. 19-0004, section 7.)¹ Despite this statement the
20 City approved the Project with no environmental review and claimed it was exempt from CEQA.

21 On August 9, 2019, the Community Development Department received an application
22 requesting a Master Use Permit for a new 162-room, 81,775 square-foot, four-story hotel and a separate
23 new 16,348 square foot two-story retail and office building at 600 S. Sepulveda, at the northeast corner
24 of Sepulveda Boulevard and Tennyson Street. (AR 124:5395; 144:9754.)

25 The Planning Commission conducted a public hearing on October 14, 2020 to consider the
26 request for the Master Use Permit. (AR 7:101.) Numerous public comments were submitted in

27 _____
28 ¹ Judicial Notice of excerpts of relevant City Ordinances, Municipal Code sections, and General Plan provisions is sought in the concurrently filed Request for Judicial Notice.

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 opposition to this proposal. (AR 7:101.) The hearing was continued to November. (AR 7:102.)

2 On November 18, 2020, the Planning Commission held another public hearing. (AR 7:102.)
3 Again, numerous public comments were submitted, most of them in opposition to the Project as
4 proposed. MB Poets submitted detailed comments objecting to various aspects of the Project, and
5 included expert testimony regarding parking, traffic, noise, and land use impacts. (AR 126:6680-85;
6 129:6702-14.) Despite these many and detailed objections, the Planning Commission adopted a
7 resolution approving the Project. (AR 6:56.)

8 Following the approval by the Planning Commission, but prior to the expiration of the 15-day
9 appeal period provided by the Manhattan Beach Municipal Code, the City prepared a Notice of
10 Exemption and it was prematurely filed. (AR 122:5297-98.) MB Poets appealed the Planning
11 Commission approval to the City Council by delivering an appeal to the City on November 25, 2020.
12 (AR 120: 5234-93.) The City initially set a hearing of MB Poets' appeal on January 19, 2021, then
13 February 2, 2021, and eventually rescheduled for May 4, 2021. (AR 58:1715-16.) At the May 4, 2021
14 appeal hearing for the Project, City Attorney Quinn Barrow stated, "Since we're coming back with a
15 resolution with *draft conditions*, the applicant [and] the appellants, *everyone can discuss those*
16 *conditions.*" (AR 17:273, emphasis added.)

17 At the May 4, 2021 appeal hearing, the City Council directed staff to amend only a few
18 conditions, related to alcohol-service closing hours and parking. (AR 19:287; 17:275.) The meeting
19 minutes state "City Attorney Barrow clarified that the applicant will have the opportunity to discuss the
20 aforementioned conditions when the draft resolution presented to the City Council." (AR 19:287.)

21 In contrast with the direction for limited changes, the new resolution contained 188
22 replacements, insertions and deletions, compared to the resolution approved by the Planning
23 Commission on November 18, 2020. (AR 50:1088.) Consequently, the resolution of the City Council
24 had many changes never previously considered in a public hearing. Despite commitments there would
25 further opportunity for discussion at a public hearing, the Project appeared as a consent calendar item
26 on the June 15 agenda. (AR 12:125.) One-half hour before that meeting commenced, Community
27 Development Director Tai emailed a member of MB Poets that the City Council would not consider
28

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 any further evidence other than that received prior to closure of the May 4 appeal. (AR 49:1087.) At
2 the June 15, 2021 meeting, the matter was called off the consent calendar for public hearing and over
3 further objections, the City Council voted to approve the Project. (AR 13:134.)

4 **III. STANDARD OF REVIEW**

5 **A. California Environmental Quality Act**

6 An agency's reliance upon a categorical exemption necessitates two inquiries, with a shifting
7 burden for review. First, a court must determine whether an agency has correctly determined that a
8 project is categorically exempt from CEQA review. The interpretation of the language of the guidelines
9 implementing CEQA or the scope of a particular CEQA exemption presents "a question of law, subject
10 to de novo review by this court." (*Fairbank v. City of Mill Valley* (1999) 75 Cal.App.4th 1243, 1251;
11 *Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster* (1997) 52 Cal.App.4th 1165,
12 1192 ("Azusa Land").) Thus, the first question before the Court is "to determine whether, *as a matter*
13 *of law*, the [project] met the definition of a categorically exempt project." (*Santa Monica Chamber of*
14 *Commerce v. City of Santa Monica* (2002) 101 Cal.App.4th 786, 792.) In determining whether the
15 project comes within the categorical class of exemptions, courts "apply a de novo standard of review,
16 not a substantial evidence standard." (*Ibid.*) "[T]he agency invoking the [categorical] exemption has the
17 burden of demonstrating" that substantial evidence supports its factual finding that the project falls
18 within the exemption. (*Muzzy Ranch Co. v. Solano County Airport Land Use Com.* (2007) 41 Cal.4th
19 372, 386.) Further, the agency decides whether a project is categorically exempt as a part of its
20 preliminary review without reference to any mitigation measures. (*Azusa Land, supra*, 52 Cal.App.4th
21 1165, 1199-2000.) If an agency establishes that the project fits an exemption, a party challenging the
22 exemption may produce evidence that the project is not exempt because it falls within one of the
23 exceptions listed in CEQA Guidelines section 15300.2. (*Berkeley Hillside Preservation v. City of*
24 *Berkeley* (2015) 60 Cal.4th 1086, 1105.) The party invoking an exception to an exemption "need only
25 show a reasonable possibility of a significant effect due to [an] unusual circumstance" such as a
26 project's "size or location." (*Ibid.*) Courts determine whether there is a reasonable possibility of a
27 significant effect on the environment due to the unusual circumstances using the fair argument
28 standard. (*Berkeley Hillside, supra*, 60 Cal.4th 1086, 1116.) The fair argument standard is a "low
threshold" that requires preparation of environmental review whenever there is any substantial evidence
a project may have an adverse impact, even if there is evidence to the contrary, without deference to an
agency's determination. (CEQA Guidelines § 15064, subd. (f)(1); *No Oil, Inc. v. City of Los Angeles*

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 (1974) 13 Cal.3d 68, 75; *Sierra Club v. County of Sonoma* (1992) 6 Cal.App.4th 1307, 1317-18.)

2 **B. Municipal Code and Brown Act.**

3 Municipal Code violations are reviewed as a question of law. (*Audio Visual Services Group,*
4 *Inc. v. Superior Court* (2015) 233 Cal.App.4th 481, 489.) Brown Act violations based on undisputed
5 facts are reviewed as a question of law. (*San Joaquin Raptor Rescue Center v. County of Merced*
6 (2013) 216 Cal.App.4th 1167, 1175.)

7 **IV. ARGUMENT**

8 **A. The City's Approval of the Project Violates CEQA,**

9 **1. The Project Does Not Fit Within a Class 32 Exemption Due to Its Impacts.**

10 The City relies upon a Class 32 categorical exemption to exempt the Project from environmental
11 review under CEQA. (AR 1:2; see CEQA Guidelines § 15332.) Categorical exemptions are strictly
12 construed, “in order to afford the fullest possible environmental protection.” (*Save Our Carmel River v.*
13 *Monterey Peninsula Water Management Dist.* (2006) 141 Cal.App.4th 677, 697.) A Class 32 exemption
14 only applies if the project meets specific conditions, for which it is the City's burden to prove, including
15 that approval of the Project “would not result in any significant effects relating to traffic, noise, air
16 quality, or water quality” and the Project site “can be adequately served by all required utilities and
17 public services.” (CEQA Guidelines § 15332.) The City failed to meet its burden. As discussed below,
18 the Project will likely have significant traffic, noise, parking, land use, and public utility impacts that
19 have not been mitigated. Furthermore, the Project's inconsistency with Municipal Code requirements
20 prevents its reliance on an exemption.

21 **2. The Project Falls Within Exceptions to the Claimed Categorical Exemption.**

22 Recognizing that projects that would otherwise qualify for a categorical exemption may cause
23 significant adverse environmental impacts under certain circumstances, CEQA contains exceptions to
24 categorical exemptions. (CEQA Guidelines §15300.2; *Wildlife Alive v. Chickering* (1976) 18 Cal.3d
25 190, 206.) Here, even if the Project did fit within the Class 32 categorical exemption, which it does not,
26 the exemption would be inapplicable because several exceptions to categorical exemptions apply.

27 A categorical exemption is inapplicable when “there is a reasonable possibility that the activity
28 will have a significant effect on the environment due to unusual circumstances.” (CEQA Guidelines §
15300.2, subd. (c).) This Project is unlike the typical project for which the Class 32 categorical
exemption was developed due to its size, the nearby residential neighborhoods, and the Municipal Code
requirements to which the Project does not conform. These unusual circumstances result in a reasonable

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 possibility the Project will have significant adverse impacts, preventing reliance on an exemption.

2 **a. Unusual Circumstances Would Result in Significant Impacts.**

3 CEQA prohibits use of a categorical exemption when “there is a reasonable possibility that the
4 activity will have a significant effect on the environment due to unusual circumstances.” (CEQA
5 Guidelines § 15300.2, subd. (c).) Under this exception, two determinations must be made; first is
6 whether there is substantial evidence of unusual circumstances. (*Berkeley Hillside, supra*, 60 Cal.4th
7 1086, 1114-16.) Without a definition in CEQA, courts have opined that “whether a circumstance is
8 ‘unusual’ is judged relative to the typical circumstances related to an otherwise typically exempt
9 project.” (*Voices for Rural Living v. El Dorado Irrigation Dist.* (2012) 209 Cal.App.4th 1096, 1109.)
10 Additionally, “the significance of an activity may vary with the setting.” (CEQA Guidelines § 15064,
11 subd. (b)(1).) Thus, unusual circumstances negating categorical exemptions include a project’s size and
12 context. (*Azusa Land, supra*, 52 Cal.App.4th 1165, 1207-08; *Lewis v. Seventeenth Dist. Agricultural*
13 *Assn.* (1985) 165 Cal.App.3d 823, 829.)

14 Here, the Project will have four stories, a first for the city, which violates General Plan Goal LU-
15 1, “Maintain the low-profile development and small-town atmosphere of Manhattan Beach.” (City
16 General Plan, p. LU-23; AR 50:1096; 73:2805; 45:1019.) Additionally, on March 6, 2019 without
17 environmental review, the City amended the zoning code to permit four-story hotels in the Sepulveda
18 Corridor. (AR 1:2; 17:230 [public commenting that City “never studied these impacts”]; 17:262.) This
19 occurred just five months before receiving the Project application on August 9, 2019. (AR 144:9754.)
20 Therefore, the city has never conducted an environmental review of four-story buildings. The
21 unprecedented four-story nature of the Project nestled among residential neighborhoods exacerbates
22 noise, traffic, and parking impacts and constitutes an unusual circumstance that requires an EIR. In an
23 email to staff for the Project’s initial public hearing on October 14, 2000, Planning Commissioner
24 Richard Thompson, who qualifies as an expert and served as Community Development Director during
25 1996-2014 (AR 61:1955), wrote: “I was surprised that an initial study wasn’t prepared for this due to
26 the size, nature and potential public controversy associated with the development of this site.” (AR
27 61:1959.) Additionally, Sepulveda Boulevard has unusually short sightline distances in this critical area.
28 (AR 20:304; 129:6703.)

29 **b. A Categorical Exemption is Unavailable Due to Cumulative and Project 30 Specific Traffic Impacts.**

A categorical exemption is also “inapplicable when the cumulative impact of successive projects

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 of the same type in the same place, over time is significant.” (CEQA Guidelines § 15300.2(b).) The
2 cumulative impacts result from the incremental impact of a project when added to other related past,
3 present, and reasonably foreseeable probable future projects. (CEQA Guidelines, § 15355, subd. (b).)
4 The cumulative impact exception ensures that a project’s potential cumulative impacts are not
5 overlooked when a categorical exemption is applied because “environmental damage often occurs
6 incrementally from a variety of small sources.” (*Kings County Farm Bureau v. City of Hanford* (1990)
7 221 Cal.App.3d 692, 720.) This exception to a categorical exemption applies if the lead agency is
8 presented with “evidence that there was a *fair argument* that the cumulative impact exception applied.”
9 (*Aptos Residents Assn. v. County of Santa Cruz* (2018) 20 Cal.App.5th 1039, 1052, emphasis added.)
10 Expert comments and relevant personal observations qualify and substantial evidence of a fair argument
11 that the Project may have noise, traffic, parking and land use impacts. (*Keep Our Mountains Quiet v.*
12 *County of Santa Clara* (2015) 236 Cal.App.4th 714, 735; *Ocean View Estates Homeowners Assn., Inc. v.*
13 *Montecito Water Dist.* (2004) 116 Cal.App.4th 396, 402; *Pocket Protectors v City of Sacramento* (2004)
14 124 Cal.App.4th 903, 931–932.) Due to the Project’s potentially significant cumulative impacts, a
15 categorical exemption is unavailable.

16 The Project would result in adverse traffic impacts that prevent reliance on a Class 32 exemption.
17 Transportation engineer Craig S. Neustaedter opined that the traffic analysis improperly omits Keats
18 Street, Chabela Drive, Shelley Street, Prospect Avenue and 30th Street, which are the residential streets
19 adjoining or near the Project. (AR 114:4799.) Furthermore, the analysis of Kimley-Horn and
20 Associates (“KHA”), the applicant’s traffic consultant relied upon by the City, failed to analyze
21 cumulative impacts to 30th Street, which carries project traffic to and from the beach and is used by
22 traffic from the multiple, large, new Skechers buildings that when occupied would impact the area
23 immediately proximate to this development. (AR 114:4799; 129:6706.) A categorical exemption is
24 “inapplicable when the cumulative impact of successive projects of the same type in the same place,
25 over time is significant.” (CEQA Guidelines § 15300.2, subd. (b).) The City failed to address
26 cumulative impacts of the Skechers project. One of the mitigation measures for the Skechers project is
27 to require a lengthened left turn pocket onto Tennyson for southbound traffic. (AR 129:6706; 6:62.)
28 This additional left turn capacity plus Project traffic will substantially increase vehicle trips on Tennyson
and Chabela, which lead to and from the residential area on the east, unaccounted for by KHA.

KHA relies on a baseline traffic level that includes traffic from the former El Torito restaurant
onsite, which is improper under CEQA. (AR 124:5437; 117:4805.) CEQA review requires using a

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 baseline that represents the “actual environmental conditions existing at the time of CEQA analysis . . .
2 rather than the level of development or activity that could or should have been present according to a
3 plan or regulation.” (*Communities for a Better Environment v. South Coast Air Quality Management*
4 *Dist.* (2010) 48 Cal.4th 310, 321.) During Skechers construction, the site temporarily operates as a
5 private parking lot. (AR 6:54.) Its existing traffic levels should be used as the baseline for CEQA
6 analysis. Instead, the Project’s traffic analysis improperly deducts vehicle trips associated with the
7 Project site’s former use as a restaurant. (AR 124:5437; 117:4805.)

8 c. A Categorical Exemption is Unavailable Due to Project Noise Impacts.

9 Noise from heating and air conditioning equipment on the rooftop can have substantial impacts
10 that require preparation of an EIR. Public comments at hearings that the air conditioners are very noisy
11 can be “sufficient to raise a fair argument of significant noise impacts.” (*Citizens for Responsible &*
12 *Open Government v. City of Grand Terrace* (2008) 160 Cal.App.4th 1323, 1340.) Where evidence
13 supports a fair argument that Project-related crowd noise may have significant noise impacts on
14 surrounding residents, an EIR is required. (*Keep Our Mountains Quiet v. County of Santa Clara* (2015)
15 236 Cal.App.4th 714, 734.)

16 Substantial evidence presented by acoustic expert Steve Rogers illustrates that significant noise
17 impacts will result from the Project. (AR 55:1650 and 62:2017-2023.) Therefore, the City may not rely
18 on a Class 32 exemption from CEQA. Mr. Rogers’s analysis shows noise impacts will be significant.
19 (AR 62:2017-23; 86:3505-08; 113:4794-97; 120:5272-80.) The analysis by the Project applicant’s
20 noise experts Michael Baker International (“MBI”) and relied upon by the City, significantly understated
21 the Project’s operational noise impacts. (AR 55:1658; 124:5774-5809)

22 Condition 16 in Resolution PC 20-10 required that noise be inaudible at the property lines. (AR
23 2:29; 124:5317.) However, this condition was deleted from the June 15, 2020 City Council resolution.
24 (AR 1:12). Roughly 50 feet from the west property line, both the fourth-floor open-air terrace and the
25 ground-level patio will serve alcohol to hundreds of patrons until 1 AM seven days a week. (AR
26 61:1746 and 1750; 1:16 [hours of operation].) Twenty feet from the east property line, a veritable
27 wall of noise sources exists: 45 openable hotel-room windows, an open garage with patrons talking
28 loudly and slamming doors at 1 AM, and a rooftop crammed with chugging air-conditioner compressors
and whining fans. (AR 61:1750-51.) These noise impacts occur because of the unusual circumstance

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 of siting an overly-tall commercial structure nestled within a quiet residential area.

2 Heating, ventilation and air-conditioning (“HVAC”) noise would be significant. MBI assumed
3 that only one of the 25 pieces of HVAC equipment on the roof would be operating at any given time.
4 (AR 117:4844, 4847.) Noise impacts on the nearby residential uses would be the combined effect of
5 multiple fans and condenser units operating simultaneously. (AR 55:1650, 1653.) MBI provided an
6 incomplete response alleging a wall would reduce noise (AR 100:4395), but it did not count all
7 equipment depicted in project plans. (AR 62:2022.)

8 Crowd noise would be significant. (AR 55:1654.) MBI assumed a single talker using an
9 unrealistically low level of speech effort in the rooftop bar, roof terrace and hotel bar patio. (AR
10 55:1654.) However, the rooftop bar/terrace could accommodate 200 people, with room for dozens
11 more on the first-floor patio. (AR 55:1654.) Taking into consideration the noise impacts of multiple
12 speakers, as well as the noise analysis’ inadequate assumptions for speech effort and failure to factor in
13 alcohol consumption, acoustic expert Steve Rogers concluded the true impact of crowd noise in the
14 outdoor gathering area of the hotel would be at least 30 dBA higher than MBI predicted – i.e., a net
15 noise level of 53 dBA, which would exceed the 50 dBA nighttime exterior noise standard in Manhattan
16 Beach Municipal Code section 5.48.160. (AR 55:1654.) MBI claimed occupancy of 150 (AR 65:2095)
17 but this was incorrect (AR 62:2017). MBI also claimed noise receptors would be indoors (AR 65:2096),
18 but this assumption had no valid basis (AR 62:2018).

19 Amplified music noise would be significant. MBI does not address potential noise impacts
20 associated with amplified music playback in the hotel, including live music performances and DJ sets on
21 the rooftop terrace. (AR 55:1655.) MBI does not address noise impacts on the residential uses located
22 on El Oeste Drive, to the west of the project site that would have a direct line-of-sight to the rooftop
23 bar/terrace, approximately 300-feet away. (AR 55:1650.) MBI claimed amplified music is prohibited by
24 Condition 16 (AR 100:4396) but that Condition does not prevent noise (AR 62:2022) and was deleted
25 by the City (compare AR 16 with AR 29). MBI claimed impulsive noise does not include music (AR
26 100:4396) but this is incorrect (AR 62:2019).

27 Noise impacts from the ground level parking lot and the open-to-the-air underground parking lot
28

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 adjacent to the residential neighbors would be significant. There is no wall, acoustic sealing of the
2 underground lot or other measure to reduce the impacts of cars and human activity in the parking lot.
3 (See AR 54:01360; 61:01975 [Shade Hotel CUP requiring acoustic sealing].) MBI attempted to respond
4 to public and expert comments in April 2021 (AR 64:2080) and June 2021 (AR 100:4394). However,
5 MBI's responses did not rebut the points made by noise experts regarding rooftop occupancy generating
6 crowd noise (AR 62:2017, 2018), the exceedance of noise limits at homes on El Oeste (AR 62:2017),
7 impulsive noise (AR 62:2018) and HVAC noise (AR 62:2022). MBI's rebuttals were unsubstantiated
8 (AR 62:2020-21). Even had they been substantiated, where there are conflicting assertions between
9 experts, an EIR is necessary. (*County of Inyo v. Yorty* (1973) 32 Cal.App.3d 795, 814.) As stated in the
10 CEQA Guidelines, "if a lead agency is presented with a fair argument that a project may have a
11 significant effect on the environment, the lead agency shall prepare an EIR even though it may also be
12 presented with other substantial evidence that the project will not have a significant effect (*No Oil, Inc.*
13 *v. City of Los Angeles* (1974) 13 Cal.3d 68.)" (CEQA Guidelines § 15064 (f)(1).)

14 **d. Inconsistency with City Code Requirements for Parking Prevent** 15 **Application of an Exemption.**

16 A Class 32 exemption is unavailable because the Project violates the City's Municipal Code
17 requirements for parking. Staff stated that Manhattan Beach Municipal Code ("MBMC") Section
18 10.64.030 requires 243 spaces be provided for the site based on proposed uses. (AR 132:6861;
19 124:5396.). The City claimed this amount could be reduced to 152 total spaces (91 less than 243),
20 pursuant to MBMC Section 10.64.050 (B). (AR 1:8-9)

21 The MBMC, however, limits the allowable reduction to 15% of total spaces required, which in
22 this case would be only 37 spaces. (MBMC Section 10.64.040.) As result, the parking violates MBMC
23 section 10.64.040, Collective Provision for Parking. This statute permits a maximum reduction of 15%
24 in spaces if multiple uses on site share the parking at different times of day. (AR 126:6682.) The
25 Municipal Code permits a 36-space (i.e., 243 x 0.15) reduction in requirements, whereas the applicant
26 erroneously took a 91-space reduction, a larger reduction than permitted by Code. (AR 114:4799;
27 126:6681.) As result, the City violated its parking ordinance to approve the Project.

28 Insufficient parking at a project can lead to environmental impacts from increased vehicle

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 emissions and vehicle miles traveled and overflow parking in the nearby residential neighborhoods.
2 “CEQA considers a project's impact on parking of vehicles to be a physical impact that could constitute
3 a significant effect on the environment.” (*Taxpayers for Accountable School Bond Spending v. San*
4 *Diego Unified School Dist.* (2013) 215 Cal.App.4th 1013, 1051.) The parking analysis performed by
5 KHA makes unjustifiable assumptions that are not based on substantial evidence. For example, the
6 KHA parking analysis uses unjustifiably low levels of parking demand based on unsupportable
7 application of parking ratios. (AR 132:6886-89.) The Institute of Transportation Engineer’s (“ITE”)
8 standard requirement for spaces is 1.55 spaces per hotel room on Saturdays, but the applicant uses a
9 ratio of only 0.64. (AR 114:4800; 124:5426.) This results in a peak-parking demand that is only 41% of
10 the industry standard. (AR 126:6681; 129:6705.)

11 Transportation engineer Neustaedter’s analysis discloses that the KHA parking analysis excludes
12 parking demand from public use of hotel alcohol-serving venues. Condition 15 in the June 15, 2021
13 City Council Resolution restricts alcohol service to hotel patrons only. (AR 1:16.) The application,
14 however, specifies a Type 47 on-sale general license. (AR 124:5413.) Per Ms. Lauren Tyson, former
15 official of the Department of Alcoholic Beverage Control (“ABC”), an on-sale license requires a bona
16 fide public eating place, open to the public and not restricted to guests. (AR 61:1874-81.) For traffic
17 and parking analyses, the general license would correspond to ITE hotel model Class 310 Hotel, with
18 much higher traffic and parking demands, not a Class 312 Business Hotel. (AR 54:1357-58.) The
19 impact of the significant underparking of the Project site would mean that cars would need to leave the
20 site (adding disruption of traffic flow on Sepulveda and surrounding streets) and then circle the nearby
21 area or try to park there.

22 **e. Impacts to Sewer Capacity Would be Significant.**

23 The Project would require substantial upgrades to local sewer and potable water pipelines, which
24 is a significant impact that renders an exemption from CEQA inapplicable. (AR 68:2124-27; 124:6173.)
25 The public submitted evidence that sewer capacity would not be sufficient for the over-sized Project,
26 objecting specifically to the City’s underestimate of sewage generated by the Project, as well as the
27 City’s contention that the Project’s “consistency with the General Plan” would ensure sufficient
28

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 capacity. (AR 68:2124-27). The City responded simply that its efforts to modify the water and sewer
2 infrastructure would be sufficient once such modifications were made, and General Plan compliance
3 with the General Plan was sufficient. (AR 67:2113-14, 2119.) The City's response failed to address the
4 public's specific evidence showing that the Project cannot be adequately served by sewer and water
5 utilities. (See *California Clean Energy Committee v. City of Woodland* (2014) 225 Cal.App.4th 173,
6 210–211 [compliance with the Building Code not sufficient to address energy impact concerns].)

3. CEQA Does Not Permit Use of Mitigation Measures for an Exemption.

7 The City has improperly relied upon mitigating conditions to grant a categorical exemption from
8 CEQA for the Project. (*Salmon Prot. & Watershed Network v. Cnty. of Marin* (2004) 125 Cal.App.4th
9 1098, 1102.) Categorical exemptions are prohibited for projects that may have a significant
10 environmental impact. (Pub. Resources Code § 21084; CEQA Guidelines §§ 15300.2; 15061.) "An
11 agency should decide whether a project is eligible for a categorical exemption as part of its preliminary
12 review of the project... not in the second phase when mitigation measures are evaluated." (*Azusa Land*,
13 *supra*, 52 Cal.App.4th 1165 at 1199-1201; *City of Pasadena v. State of California* (1993) 14
14 Cal.App.4th 810, 820.) Reliance on conditions of approval or other measures to mitigate a project's
15 potential impacts "involves an evaluative process ...and that process must be conducted under
16 established CEQA standards and procedures for EIRs or negative declarations." (*Salmon Prot. &*
17 *Watershed Network, supra*, 125 Cal.App.4th 1098, 1108; *Lewis v. Seventeenth Dist. Agricultural Assn.*
18 (1985) 165 Cal.App.3d 823, 830.)

19 Here, the Project was revised in an attempt to address the noise, traffic, parking, and land use
20 incompatibility impacts identified by the public. Operational limitations were placed on the location and
21 hours of operation of rooftop decks to address the Project's inevitable noise impacts. (AR 1:16.) "The
22 very fact the [City] took steps in mitigation makes it manifest there was a possibility of a significant
23 effect. If steps in mitigation lessen the 'adverse change,' such steps may qualify the [City] to file a
24 negative declaration, but not to find itself outside the law." (*Lewis, supra*, 165 Cal.App.3d 823, 830.)

25 "An agency should decide whether a project is eligible for a categorical exemption as part of its
26 preliminary review of the project without reference to or reliance upon any proposed mitigation
27 measures" (*Salmon Protection & Watershed Network v. County of Marin* (2004) 125 Cal.App.4th 1098,
28 1106.) Reliance on such measures "involves an evaluative process ...and that process must be
conducted under established CEQA standards and procedures for EIRs or negative declarations." (*Id.* at

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 1108.) *Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster* (1997) 52 Cal.App.4th
2 1165, 1191, 1201 holds an agency may not “evade these standards by evaluating proposed mitigation
3 measures in connection with the significant effect exception to a categorical exemption.”

4 In a futile attempt to mitigate noise, traffic, parking, and aesthetic impacts, the Project was
5 conditioned upon a number of modifications. (AR 1:14-22.) The conditions of approval require
6 development in accordance with site plans that were revised to create a stepped design and attempt to
7 camouflage the building façade with foliage. (AR 1:14-15; 70:2541, 2583.) Conditions of approval
8 were devised to set hours of operation for the rooftop deck in an attempt to address the concerns raised
9 regarding noise impacts. (AR 1:16.) The conditions required by the City are extensive but likely to be
10 ineffectual in reducing the Project’s significant impacts. Eating and drinking hours of operation,
11 including alcohol service and amplified music on the outdoor 4th story terrace, are 7 a.m. to 1 a.m.
12 Friday and Saturday and 7 a.m. to 11 p.m. Sunday through Thursday. (AR 1:16 [Condition 13].);

13 The City deleted a Planning Commission condition that noise be inaudible at the property lines
14 (AR 2:29 [Resolution No. PC 20-10, Condition 16].) Parking is to be “discourage[d]” on adjacent
15 residential streets (AR 1:19 [Resolution 21-0044, Condition 38]) but no measure to enforce this is
16 provided. These measures are likely to be ineffective as shown by the experience of residents around
17 the Residence Inn further north on Sepulveda Boulevard. (See, e.g., AR 127:6686; 63:2044.)

18 By definition, a project does not qualify for a categorical exemption unless the agency has
19 determined environmental impacts cannot occur and mitigation measures are *unnecessary*. Here, the
20 City has imposed conditions of approval to mitigate the Project’s likely impacts. For this reason, the
21 City cannot rely on a Class 32 categorical exemption to CEQA review.

22 **B. The Project’s Approval Violates the City’s Municipal Code.**

23 Approval of the Project violates the Manhattan Beach Municipal Code (MBMC) in various
24 ways. As described above, the Project fails to provide the amount of parking required pursuant to
25 MBMC Section 10.64.040 by reducing required parking more than the 36 permitted by code. (AR
26 114:04799; 126:6681.) As described above, the Project fails to comply with the noise ordinance
27 pursuant to MBMC sections 5.48.140 [Noise Disturbances] and 5.48.160 [Exterior Noise Standards]
28

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 because it would generate noise measurable at a level of 53 dBA at nearby residential properties. (AR
2 1654.) MBMC section 10.60.120 (A) incorporates the noise ordinance into the zoning code.

3 **C. The City Violated the Brown Act During the Project's Approval Process.**

4 The Brown Act requires that at least 72 hours before a regular meeting, a legislative body must
5 post an agenda containing a "brief description" of each item of business to be acted upon at the meeting.
6 (Gov. Code § 54954.2, subd. (a)(1).) The legislative body may not take any action on an item not
7 appearing on the posted agenda, with limited exceptions not applicable here. (Gov. Code §§ 54952
8 subd. (a)(3), 54954.2 subd. (b).) Public agencies must also provide the public with an opportunity to
9 participate in public hearings. (Gov. Code § 54954.3, subd. (a).) The purpose of the Ralph M. Brown
10 Act is to "aid in the conduct of the people's business" by encouraging public participation in
11 government decision making. (Gov. Code § 54950.) (*San Joaquin Raptor Rescue Center v. County of*
12 *Merced* (2013) 216 Cal.App.4th 1167, 1176.)

13 The City violated the Brown Act at the regular City Council meeting held on June 15, 2021.
14 (AR 12:125 [Consent Calendar Item No. H(9)].) The Project agenda item, as discussed by the City
15 Council on June 15, 2021, was not properly noticed because the City did not provide notice that
16 members of the public would be permitted to speak on this issue because the City agendized the item on
17 the consent calendar. This failure to post accurate notice of the public's ability to speak violated the
18 Brown Act and, therefore, any actions that it took at that meeting are null and void.

19 Agenda Item No. 9(H), the approval of the Project, involved the administrative appeal filed by
20 MB Poets. The City initially set a hearing of MB Poets' appeal on May 4, 2021. (AR 19:285-87.) At
21 the May 4, 2021 appeal hearing for the Project, the City agreed to amend a few of the Project's
22 conditions of approval related to alcohol-service closing hours and parking. (AR 19:287.) The City's
23 minutes for the May 4 meeting state, "City Attorney Barrow clarified that the applicant will have the
24 opportunity to discuss the aforementioned conditions when the draft resolution presented to the City
25 Council." City Attorney Quinn Barrow stated, "Since we're coming back with a resolution with draft
26 conditions, the applicant will have an opportunity to, um, discuss those conditions just like anybody
27 else, the appellants, *everyone can discuss those conditions.*" (AR 17:273, emphasis added.)
28

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 Half an hour before the June 15, 2021 City Council meeting commenced, Community
2 Development Director Tai emailed a member of MB Poets that the City Council would not consider any
3 further evidence except that which was received prior to closure of the May 4 appeal. (AR 49:1087.).
4 Because of this message and the placement of the Project on the consent calendar, members of MB
5 Poets and others refrained from attending the City Council meeting so were unable to speak on the item.

6 A councilmember pulled the consent-calendar item to discuss pay parking. (AR 13:136.) The
7 City permitted public testimony on agenda item No. 9(H), but the public could not anticipate this with
8 sufficient time beforehand. Therefore, public comment was suppressed by the City's inclusion of the
9 item on the consent agenda and by Community Development Director Tai's email stating that public
10 comment would not be considered. The agenda states that the consent items "are enacted by a single
11 motion with the exception of items previously removed by a member of the City Council." (AR
12 12:124.) To the extent the public could comment, remarks were not prepared ahead of time with proper
13 notice. Fair and full public participation was particularly important because the amended resolution for
14 the Project contained 188 changes, as compared to the version approved by the Planning Commission on
15 November 18, 2020- including deleting Condition 16 regarding noise limits. (AR 50:1088 and 1092.)
16 The public was not informed that they would have the opportunity to speak on this agenda item, as
17 anticipated on May 4, 2021 (AR 17:273). The City violated the Brown Act in failing to provide the fair
18 notice to the public and hindered the public's ability to participate in the public hearing of the Project.

19 **V. CONCLUSION.**

20 The Project should not have been exempted from CEQA review. The Project would have
21 significant noise, traffic, parking, and land use impacts on the quiet residential neighborhoods that
22 adjoin it because of its unprecedented size and scale. The City violated the Brown Act as it sought to
23 approve the Project without giving the public adequate notice or a fair opportunity to participate in
24 shaping its approval. The City's approval of the Project must be set aside.

25 DATE: January 28, 2022

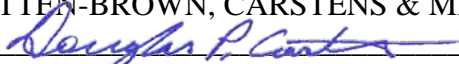
26 Respectfully Submitted,
27 CHATTEN-BROWN, CARSTENS & MINTEER LLP
28 By: 
Douglas P. Carstens
Attorneys for Petitioner

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

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PROOF OF SERVICE

I am employed by Chatten-Brown, Carstens & Minter LLP in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 2200 Pacific Coast Highway, Ste. 318, Hermosa Beach, CA. On January 28, 2022, I served the within documents:

PETITIONER’S OPENING BRIEF

VIA UNITED STATES MAIL. I am readily familiar with this business’ practice for collection and processing of correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid. I enclosed the above-referenced document(s) in a sealed envelope or package addressed to the person(s) at the address(es) as set forth below, and following ordinary business practices I placed the package for collection and mailing on the date and at the place of business set forth above.

VIA OVERNIGHT DELIVERY. I enclosed the above-referenced document(s) in an envelope or package designated by an overnight delivery carrier with delivery fees paid or provided for and addressed to the person(s) at the address(es) listed below. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

VIA ONE LEGAL E-SERVICE. By submitting an electronic version of the document(s) to One Legal, LLC, through the user interface at www.onelegal.com.

VIA ELECTRONIC SERVICE. Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the above-referenced document(s) to be sent to the person(s) at the electronic address(es) listed below.

I declare that I am employed in the office of a member of the bar of this court whose direction the service was made. I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on January 28, 2022, at Hermosa Beach, California.

/s/ Cynthia Kellman

Cynthia Kellman

EXHIBIT 2. OPENING BRIEF ON CEQA VIOLATIONS BY 600PCH PROJECT

1 **SERVICE LIST**

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23 Manhattan Beach, CA 90266

EXHIBIT 3.
ENCINITAS PORTOFINO HOTEL SIMILAR PROPERTY TO MANHATTAN BEACH HIGHROSE PROJECT
ENCINITAS, SAN DIEGO NORTH COUNTY COASTAL ZONE



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO



Epic Land Solutions, Inc. 

APPRAISAL REPORT

Hotel Property

ADDRESS: 186 N. Coast Highway 101, Encinitas, CA, 92024
APN: 256-392-11
DATE OF REPORT: February 7, 2019
DATE OF VALUE: January 30, 2019
EPIC PROJECT CODE: EA-19003

Prepared For:

Donald McPherson
1014 1st Street
Manhattan Beach, CA 90266

Prepared By:

Epic Land Solutions, Inc.
Appraisal Group
16496 Bernardo Center Drive Suite 207
San Diego, CA 92128

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Epic Land Solutions, Inc.

16496 Bernardo Center Drive Suite 207
San Diego, CA 92128

Ph: 619-573-6048

February 7, 2019

Donald McPherson
1014 1st Street
Manhattan Beach, CA 90266
Telephone: (310) 487-0383
Email: dmmcpherson@gmail.com

Re: Hotel Property Appraisal
186 N. Coast Highway
Encinitas, CA 92024
APN 256-392-11
Project Code: EA-19003

Dear Mr. McPherson,

At your request and authorization, I have prepared a summary appraisal report of the market value for the above referenced real property. To fulfill the intended use of this appraisal, I have provided both the market value of the property on an "as is" basis as well as the value of the underlying land as if it were vacant and available for development to its highest and best use. Data, information, and calculations leading to the value conclusions are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. Your attention is directed to the Addenda which contains the assumptions and limiting conditions.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed, and this report has been prepared, in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics of the Appraisal Institute.

The appraisal has been completed subject to the Assumptions & Limiting Conditions contained within the report. Extraordinary Assumptions and Hypothetical Conditions, if any, may have an impact on the assignment results.

By virtue of my experience and based upon my investigation, it is my opinion that the value conclusions within this assignment are as follows:

As-Is (Hotel) - \$3,900,000
Land Value - \$2,167,000
Building Value - \$1,733,000

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Please refer to the attached appraisal report, plus exhibits, for a summary of the supporting documentation of these value estimates contained herein.

Respectfully submitted,



Kent J. Carpenter, MAI
Certified General Real Estate Appraiser
Senior Appraiser
Epic Land Solutions, Inc.
California License AG003087

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Table of Contents

Table of Contents 1

Introduction 2

 Executive Summary..... 2

 Overview of Appraisal 3

Hotel Market Summary..... 5

Subject Property and Project Description..... 7

 Aerial View of Subject Property 7

 Subject Property Photographs 8

 Site Description 14

 Plat Map..... 16

 Improvements Description 17

 General Plan Land Use & Zoning..... 20

Valuation Analysis 23

 Highest and Best Use 23

 Appraisal Procedures Followed, Methodologies 25

 Sales Comparison Approach..... 25

 Comparable Sales Summary 26

 Market Data Map..... 27

 Market Data Description..... 28

 Income Capitalization Approach..... 30

 Market Rent Discussion 31

 Vacancy and Collection Loss 32

 Operating Expenses 32

 Overall Capitalization Rate..... 33

 Direct Capitalization Analysis..... 33

 Reconciliation..... 34

 Land Value..... 35

 Value Conclusions Summary..... 39

 Certification..... 40

 Improved Sale Comparables 41

 Land Sale Comparables 45

Addenda 51

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Introduction

Executive Summary

Property Reference:	EA-19003
Property Address:	186 N. Coast Highway, Encinitas, CA 92024
APN(s):	256-392-11
Property Type:	Hotel
Zoning:	North 101 Corridor Specific Plan (N-CM-2)
General Plan:	GC (General Commercial)
Report Format:	Narrative
Date of Appraisal Report:	February 7, 2019
Date of Value:	January 30, 2019
Date of Site Inspection:	January 30, 2019
Real Estate Interest Appraised:	Leased Fee/Fee Simple
Function of the Appraisal:	To establish the contributory value of the building improvements as improved.
Location:	The subject is located along the Coast Hwy in the north county city of Encinitas, CA.
Improvements Description:	The property is improved with a 14,728 square foot, 45-room hotel that is currently being operated as the Portofino Beach Inn. The hotel is three-story in design, with the ground level consisting of covered parking spaces and support operations for the hotel operation. The balance of the site is improved with paved open parking spaces.
Site Description:	The site is an interior lot with good access and exposure and is irregular in shape. The site has frontage on both N. Coast Highway and Melrose Avenue, and contains 21,670 square feet.
Highest and Best Use "As Is":	Continued use of existing improvements
Highest and Best Use "As if Vacant":	Development with retail/commercial
Concluded Property Value:	\$3,900,000
Concluded Land Value:	\$2,167,000
Concluded Building Value:	\$1,733,000 (\$117.67 per square foot)
Extraordinary Assumptions and Hypothetical Conditions:	<ol style="list-style-type: none">1. Notwithstanding its recent closure, it is assumed that the hotel is operational and is constructed and configured to meet current building codes and parking requirements.2. No interior inspection of the property was made. All descriptions and conclusions regarding the building improvements were based on inspection of the property from exterior locations.3. It is assumed in this report that a buyer of the property for continued hotel use would be able to use the existing parking spaces for hotel guests on a conforming basis.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Overview of Appraisal

Purpose of Appraisal

The purpose of this appraisal is to estimate the Market Value of the subject property as defined. The market value estimates will include (1) as-improved (hotel) and (2) land value as if the property were vacant and available for development to its highest and best use.

Intended User

The intended user of this appraisal report is the client, Mr. Donald McPherson and his assigns. Anyone else using or relying on this appraisal is considered an unintended user and no fiduciary obligation is owed by the appraiser to that party

Intended Use

The intended use of this appraisal report is for use in establishing the contributory value of the building improvements as presently used. The appraisal cannot be used for evaluation for collateral for a loan, collateral for bond funding, appealing taxes, submission to Superior Court for condemnation, etc.

Definition of Market Value

The purpose of this report is to render an opinion of current Market Value of the leased fee interest in the subject property. Market Value, as used in this report, is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Date of the Appraisal

The effective date of value is January 30, 2019. The property was inspected on January 30, 2019. The date of this appraisal report is February 7, 2019.

¹ 12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Owner of Record & Property History

According to public records, the subject is currently owned by 101 Hotel LLC. Public records indicate that the subject was acquired by its current owner in January of 2015 at a price of \$3,780,000, or \$84,000 per room. As contact with the property owner is not permissible, it is unknown if there have been any listings or written offers on the property in the past three years.

Scope of Work

In order to complete this assignment, I identified all assignment conditions; determined an appropriate scope of work; collected general and specific data on the district, neighborhood, market area, subject property and comparable properties; analyzed the data gathered; applied the appropriate approaches to value; and reconciled all indications of value into a final value estimate. As no interior inspection of the property was possible, no receipt of financial information occurred, and no contact with the property owner was possible, the valuation of the property, as currently utilized, relied on the published sales and operating performance of other similar limited service hotels rather than the actual operating performance of the subject property.

My investigation, value opinion and analyses comply with the Uniform Standards of Professional Appraisal Practice and is unbiased and impartial. No predetermined value or opinion formed the basis of any conclusions stated in this appraisal. The depth of the investigation and analysis is meant to be in keeping with the purpose and intended use of the appraisal. In valuing the property as presently used (hotel), both the sales comparison approach and the income capitalization approaches were used. In valuing the property as though it were vacant and available for redevelopment, the sales comparison approach was used.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Hotel Market Summary

San Diego County

Per Costar Comps, sales of limited service hotels in San Diego County over the past three years is presented below. The criteria used was for hotels under the size of 100 rooms that sold within San Diego County.

2016

Comps Statistics					
	Low	Average	Median	High	Count
Hospitality					
Sale Price	\$1,250,000	\$5,977,500	\$4,850,000	\$15,000,000	14
Building Size	3,800 SF	23,568 SF	16,612 SF	50,421 SF	14
Price per SF	\$29.85	\$253.78	\$273.04	\$757.82	14
Actual Cap Rate	4.50%	6.80%	6.80%	9.10%	2
# of Rooms	8	60	44	195	14
Price per Room	\$25,000	\$98,918	\$110,348	\$322,500	14
Days on Market	100	238	164	441	7
Sale Price to Asking Price Ratio	88.36%	97.72%	97.62%	110.53%	5

2017

Comps Statistics					
	Low	Average	Median	High	Count
Hospitality					
Sale Price	\$1,000,000	\$5,949,722	\$5,985,000	\$15,190,000	18
Building Size	4,211 SF	15,551 SF	10,682 SF	35,716 SF	18
Price per SF	\$157.63	\$382.59	\$397.77	\$1,001.43	18
Actual Cap Rate	5.77%	7.98%	8.00%	9.97%	7
# of Rooms	9	44	30	139	18
Price per Room	\$75,067	\$134,038	\$111,878	\$427,778	18
Days on Market	100	284	260	570	7
Sale Price to Asking Price Ratio	85.34%	89.05%	87.94%	95.00%	4

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

2018

Comps Statistics					
	Low	Average	Median	High	Count
Sale Price	\$780,000	\$4,164,231	\$4,100,000	\$8,000,000	13
Building Size	3,094 SF	19,761 SF	18,288 SF	43,000 SF	13
Price per SF	\$79.29	\$210.73	\$215.44	\$749.97	13
Actual Cap Rate	5.50%	7.31%	6.90%	9.19%	7
# of Rooms	10	47	41	134	13
Price per Room	\$54,851	\$88,168	\$95,833	\$230,833	13
Days on Market	70	352	296	762	5
Sale Price to Asking Price Ratio	70.73%	81.02%	82.24%	88.89%	4
Totals					

Conclusions

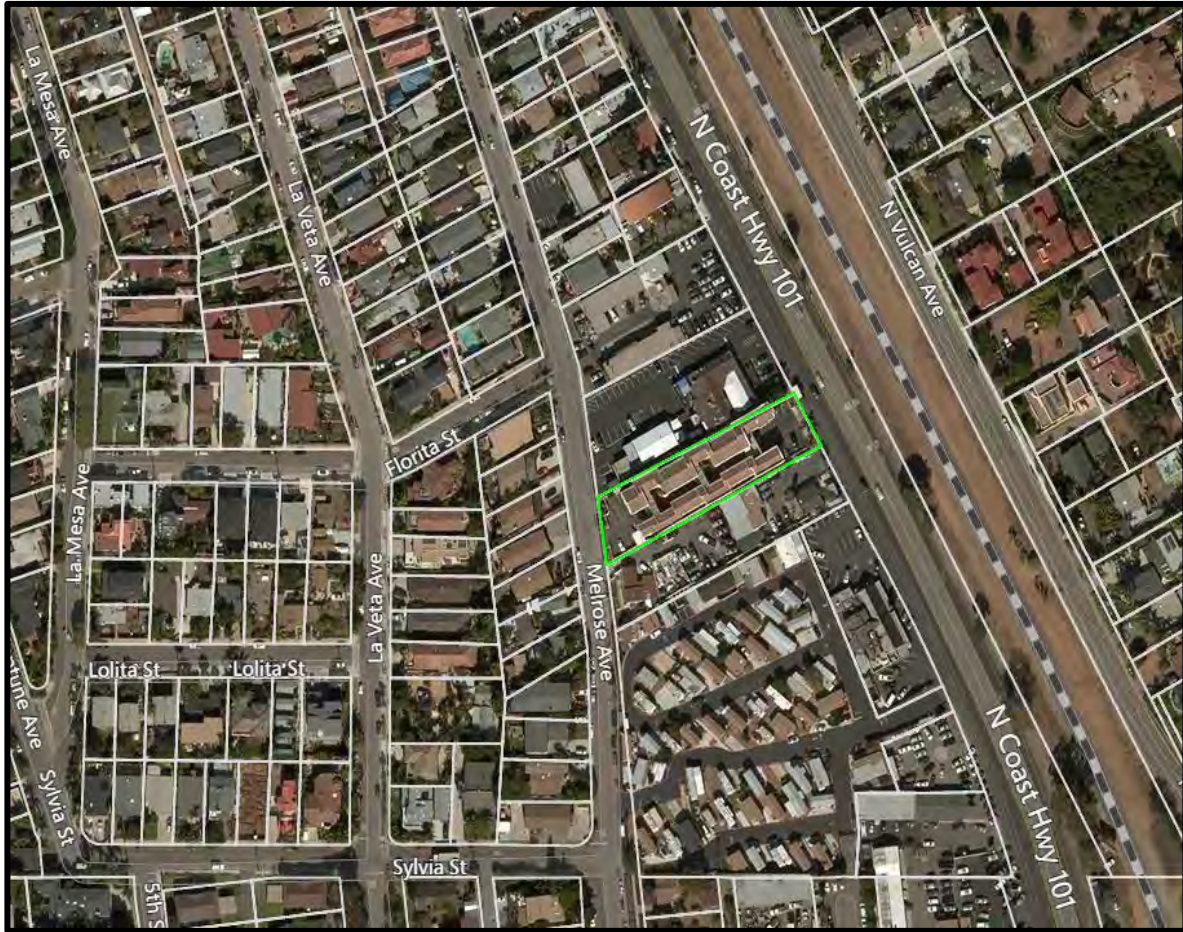
The hospitality market has several sectors which include both full service and limited service properties that cater to group, leisure and business demands. The statistics above are intended to focus on those limited service hotels like the subject property with less than 100 rooms. A look at the median annual performance of limited service hotels over the past three years shows that compared to 2017 which was a record year, the trends are declining except for overall capitalization rates which have improved. However, generally speaking, hotels in coastal locations like the subject property outperform inland hotels and maintain their value due to the relatively constant demand which exists for lodging near the beach. This is illustrated by the renovation that is planned for the subject property which despite its below average quality, functionality and achievable room rates, will continue operating as a hotel rather than razing the improvements in favor of an alternative use.

Category	2016	2017	2018	Trend
Sale Price	\$4,850,000	\$5,965,000	\$4,100,000	Declining
Overall Cap Rate	6.80%	8.0%	6.90%	Improving
# Rooms	44	30	41	Level
\$/Room	\$110,348	\$111,878	\$95,833	Declining
Days on Mkt	164	260	296	Declining
SP/Asking Ratio	97.62	87.94%	82.24%	Declining

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Subject Property and Project Description

Aerial View of Subject Property



Location of subject property is approximate.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Photograph 3



Connecting walkway from north to south side of building
Photograph 4



Viewing floor/walkway layout and 3-story design of hotel

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Photograph 5



View of hotel (guest rooms and garages) from Melrose Avenue

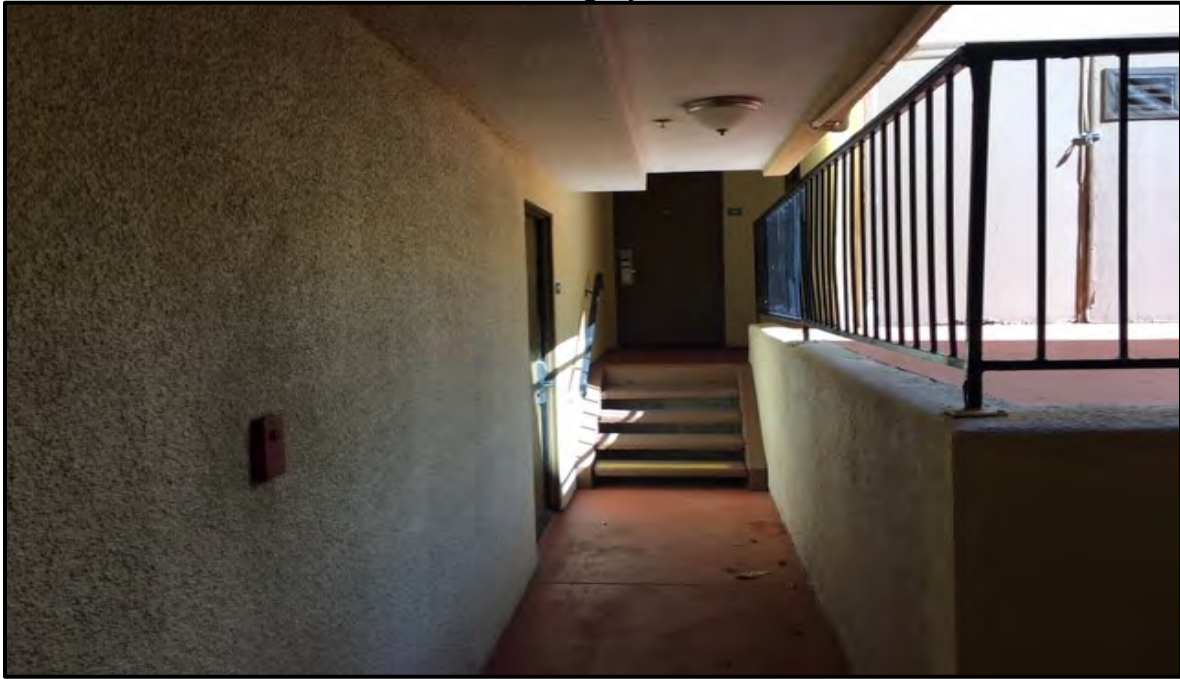
Photograph 6



Viewing open parking spaces and access to property from Melrose Avenue

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Photograph 7



Below parking grade rooms on Level 0 (per submitted plans) of the hotel

Photograph 8



Uncovered parking space at front of property facing N. Coast Hwy 101

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Photograph 9



Looking west at central drive lane, covered parking and connecting bridges of hotel
Photograph 10



Viewing trains tracks from subject property along east side of No. Coast Hwy 101

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Photograph 11



Looking north along No. Coast Hwy 101 with subject property at left

Photograph 12



Looking north along Melrose Avenue with subject property at right

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Site Description

General Site Information

Address:	186 N. Coast Highway, Encinitas, CA 92024
Location:	Located along No. Coast Highway 101 in the city of Encinitas.
Current Owner(s):	101 Hotel, LLC
5 Year Sales History:	The property sold in January of 2015 at a price of \$3,780,000.
Zoning/GP:	North 101 Specific Plan (SP-4) -N-CM-2 zoning
General Plan:	GC (General Commercial)
Assessor Parcel Number(s):	256-392-11
Assessed Value Land:	\$1,901,278
Assessed Value Improvements:	\$2,029,441
Total Assessed Value:	\$3,930,719
Taxable Value:	\$3,930,719
Assessment Year:	2018-19
Taxes:	\$50,084

Physical Characteristics of the Site

Total Site Area:	21,670 square feet
Frontage:	71 feet on N. Coast Hwy; 82 feet on Melrose Avenue
Shape:	Nearly Rectangular
Topography:	Level
Access:	N. Coast Hwy & Melrose Avenue
Corner Influence:	No
Easements:	No title report submitted, with the appraisal assuming typical utility easements and no adverse easements.
Encroachments:	None noted with appraisal assuming none exist.
Utilities to Site:	All utilities in adjoining roads & connected
Flood Designation:	Zone X (Map 060294 – 06073CO761G) dated 5/16/12) indicating minimal flood hazard in area outside of 100 and 500-year floodplains.
Surface Drainage:	Appears adequate
Environmental/Soils:	No on-site inspection was undertaken. Furthermore, the appraiser is not qualified to detect hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental concerns. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous material may affect the value of the subject property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. This appraisal is based on the assumption that there are no unusual soils problems

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

associated with the property and that load bearing capacity and drainage are adequate. No soils report was provided.
Subsurface Conditions: Unknown
Improvements: Limited-Service Hotel

Economic Factors Affecting the Site

Supply of Vacant Tracts: Undersupply
Demand for Vacant Tracts: Good
Traffic Pattern: Above average count due to scenic coastal road (N. Coast Hwy.) and neighborhood connector road (Melrose Avenue).
Neighboring Uses: Multi-family, SFR's, Retail/Commercial
Zoning: Typical for area
Major Flaws in Site: None.
Overall Site Analysis: Usable site with potential for continued use of hotel or redevelopment

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Plat Map

Following is a plat map showing the size, shape and location of the subject parcel.

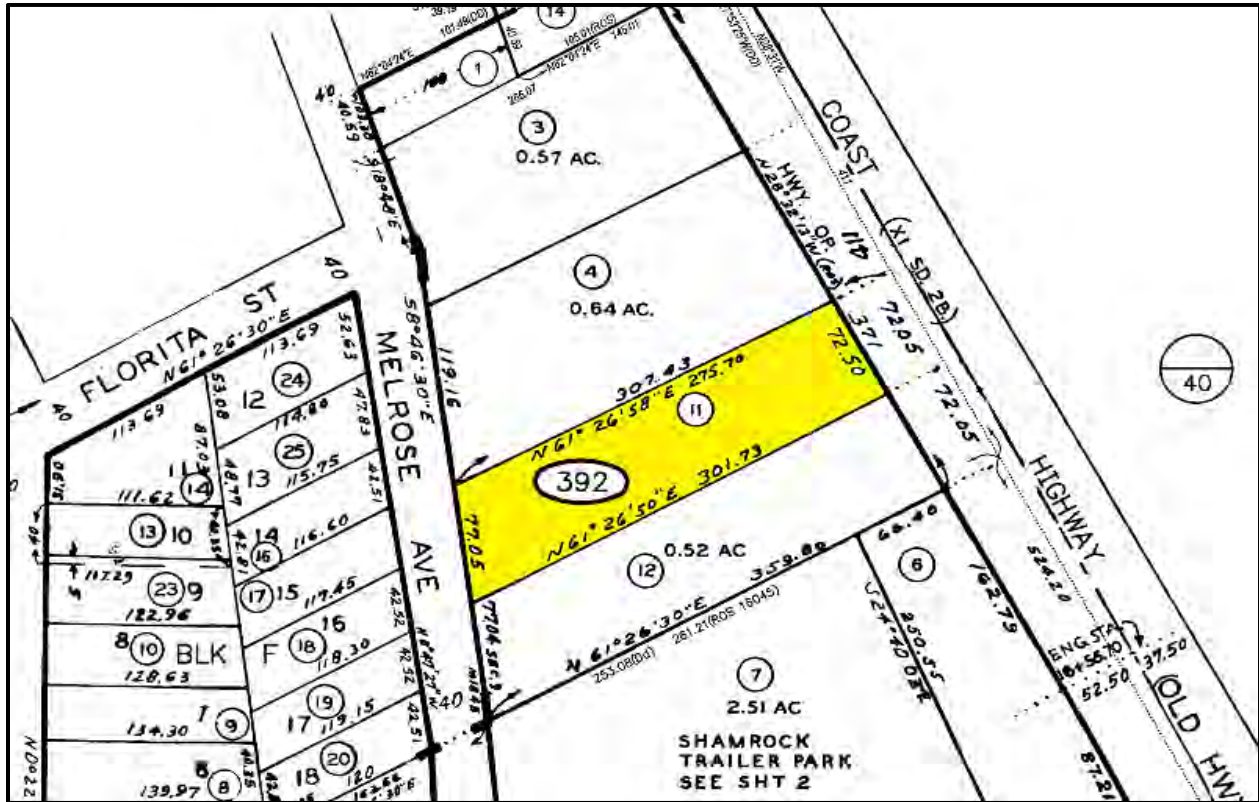


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Improvements Description

The building improvements are located at 186 N. Coast Highway 101 in the city of Encinitas California. The property has dual access from both No. Coast Hwy 101 as well as Melrose Avenue on the west and is an economy hotel that capitalizes on its proximity to the beach.

Currently, this limited -service hotel facility offers 45 hotel rooms and a one-bedroom apartment. The guest rooms are generally located on the 2nd and 3rd floor, with covered parking located underneath the rooms at grade level. The facility also includes a lobby, office, spa, two storage rooms, laundry room and trash enclosure. Based on an exterior inspection of the property, there are 39 on-site parking stalls with 16 being uncovered spaces in the front and back of the property and 23 being covered spaces under guest rooms. A submitted parking study review indicated that 37 of the parking spaces do not conform to current city standards. Additionally, on-site inspection of the property as well as hotel reviews indicate that the parking spaces are substandard in size and difficult to access. Notwithstanding this information and based on the historical use of these parking spaces by hotel guests, it is assumed in this report that a buyer of the property for continued hotel use would be able to use the existing parking spaces for hotel guests on a conforming basis.

The hotel was constructed in 1986, is of wood frame construction, with the gross area of the hotel being 14,728 square feet. As addressed in the income capitalization approach, the interior décor of the hotel is reported to be outdated and maintenance of the building neglected.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Floor Plans & Elevations

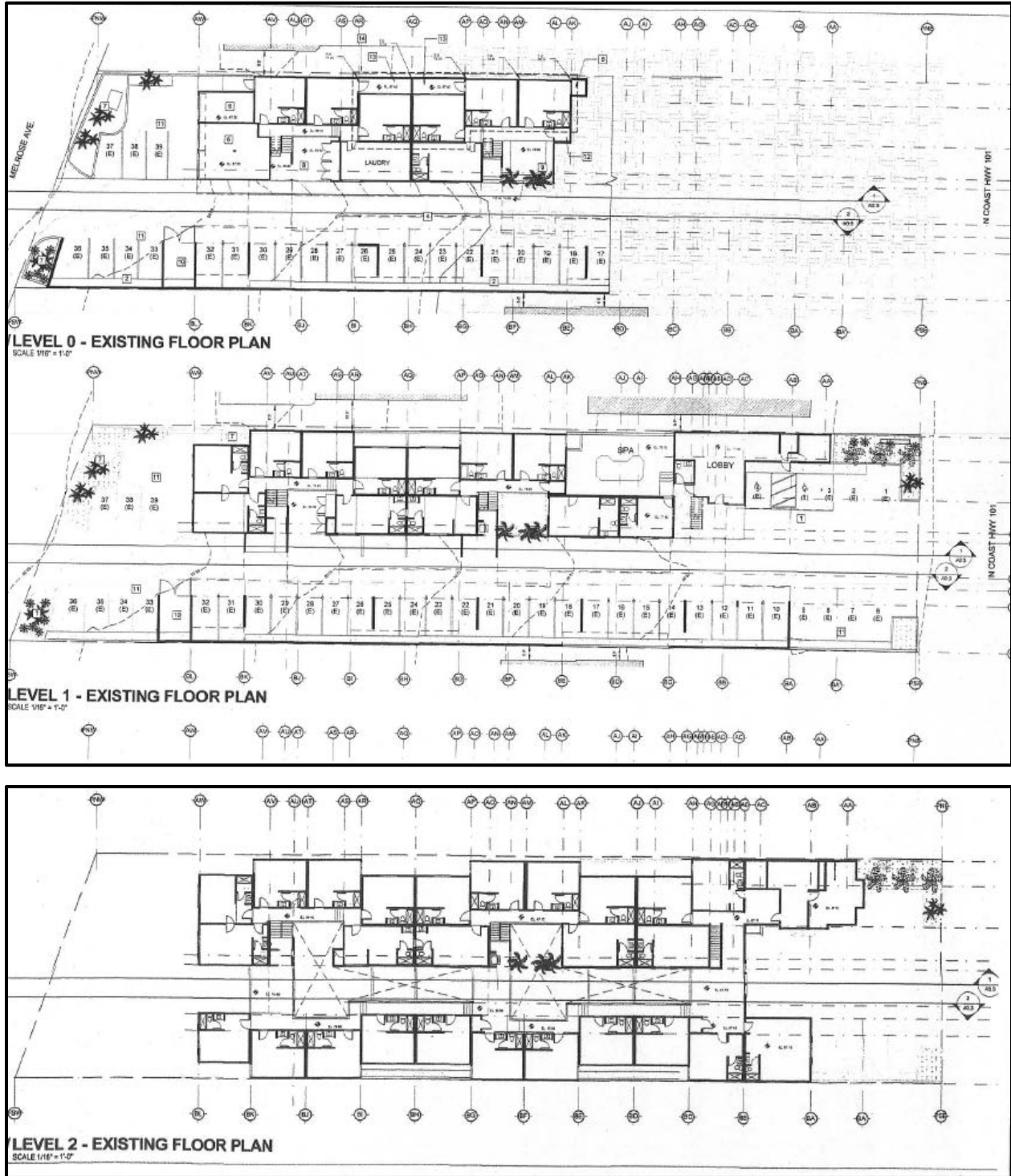


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

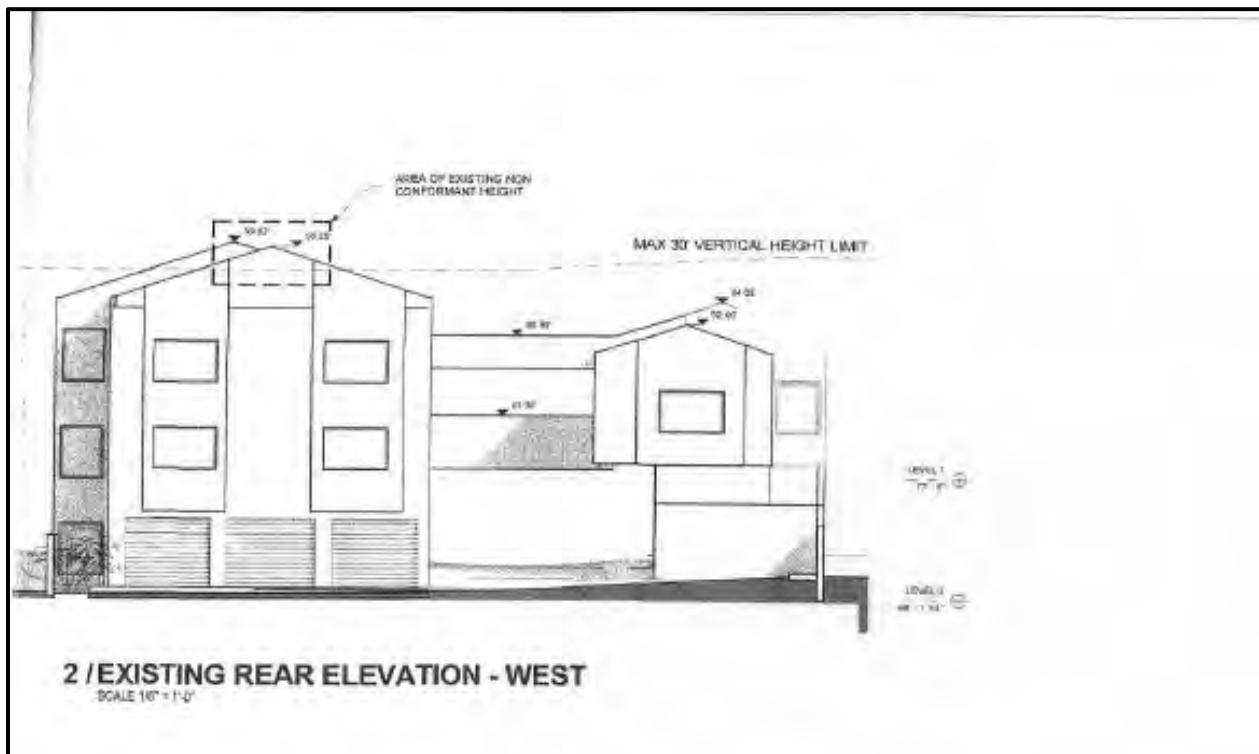


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

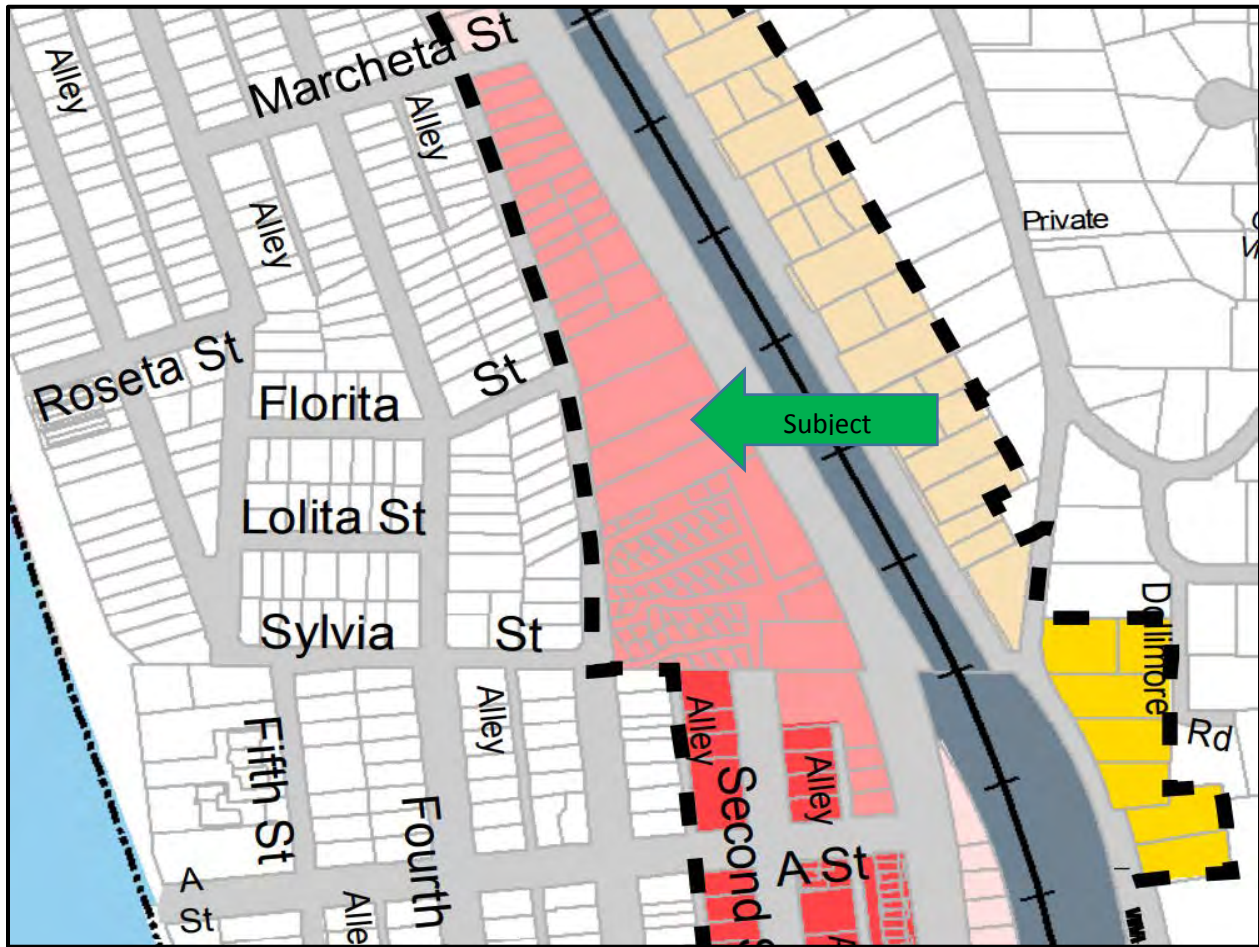
General Plan Land Use & Zoning

The zoning characteristics for the subject property are summarized below:

Zoning Summary	
Current Zoning:	North 101 Specific Plan (SP-4); N-CM-2 (Commercial Mixed – 2 zone.
Permitted Uses:	This zone is intended to provide a zoning district where the development of general commercial uses, including auto-related uses, and mixed use may be allowed. The zone provides for a variety of development opportunities including 1) stand-alone commercial; or 2) mixed use, with general commercial use types. Commercial allows a wide range of general commercial activities, including auto-related uses, retailing, service, and visitor-serving uses, with the intent of accommodating citywide or regional needs and serving the needs of persons visiting the city for business and recreational purposes. Mixed Use allows commercial and residential uses at a maximum density of 25.0 dwelling units per net acre on the same property or in the same structure, with the intent of providing opportunities for housing and live/work or artisan loft arrangements, while also mitigating the impacts between commercial and residential uses.
Development Standards	
Minimum Lot Size:	6,000 square feet
Minimum Width:	75 feet
Minimum Depth:	80 feet
Minimum Setbacks:	
Front:	0 feet
Rear:	0 feet
Side:	0 feet
Maximum Building Height:	33 feet or 3 stories
Lot Coverage (maximum)	90%
Landscaping:	10%
Maximum Coverage	Not specified
Parking Requirement	General Offices; Profess. Services – 1 space per 300 sf bldg. Personal Service / Commercial Uses – 1 space per 300 sf bldg. Retail Uses/Commercial Services – 1 space per 300 sf bldg. Restaurants/Bars/Lounges – 1 space per 75 sf bldg. Take Out Restaurants – 1 space per 300 sf bldg.

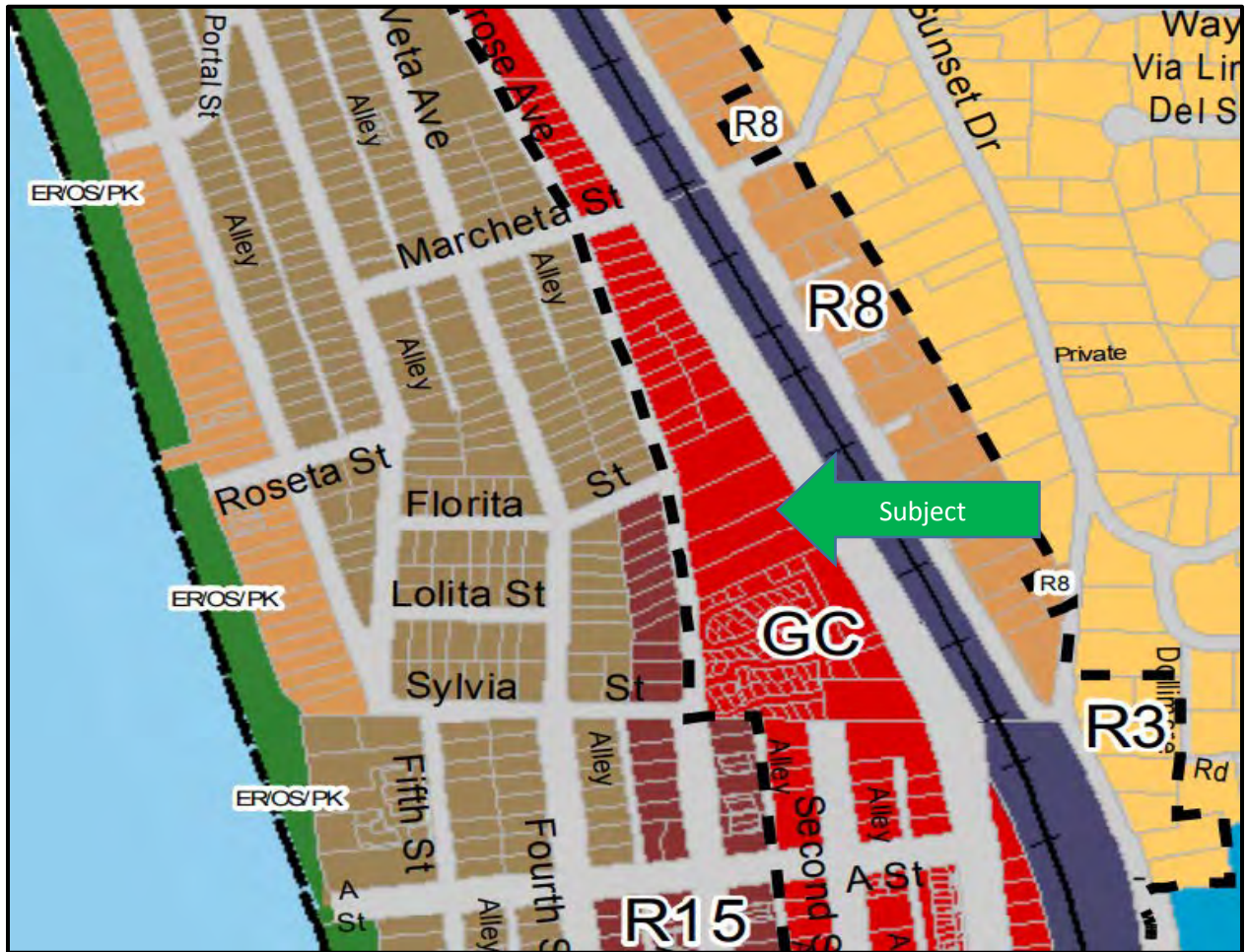
Zoning Map

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO



General Plan Map

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO



Rural Residential 0.00-0.25 du/ac (RRFP)*	Mobile Home Park (MHP)
Rural Residential 0.26-0.50 du/ac (RR)*	Office Professional (OP)
Rural Residential 0.51-1.00 du/ac (RR1)	Local Commercial (LC)
Rural Residential 1.01-2.00 du/ac (RR2)	General Commercial (GC)
Residential 2.01-3.00 du/ac (R3)	Visitor Serving Commercial (VSC)
Residential 3.01-5.00 du/ac (R5)	Light Industrial (LI)
Residential 5.01-8.00 du/ac (R8)	Public/Semi Public (P/SP)
Residential 8.01-11.00 du/ac (R11)	Transportation Corridor (TC)
Residential 11.01-15.00 du/ac (R15)	Ecological Resource/Open Space/Park (ER/OS/PK)
Residential 15.01-25.00 du/ac (R25)	

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Valuation Analysis

Highest and Best Use

The highest and best use of any property depends upon the physical and legal restrictions imposed by the size, shape, location and zoning of the site, and the size, siting, quality and condition of the improvements. An improved site like the subject property would be analyzed for its highest and best use on both an “as though vacant” and “as-improved” basis. Considerations under each of these analyses will include uses that are (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

As Though Vacant

Physically Possible - The subject property is of sufficient size and shape to be a developable site. It is generally level at street grade, has utility connections immediately available, and has access from and frontage on both a major arterial (N. Coast Highway), and a neighborhood connector street (Melrose Avenue) which generally runs parallel to N. Coast Highway 101 and abuts the subject property on the west. This rectangular shaped parcel is generally similar in size to many other parcels along N. Coast Highway, yet larger than many parcels that have been subdivided and developed with residential uses.

Legally Permissible - The subject is in the No. 101 Corridor Specific Plan with a mixed-use zoning designation (N-CM-2). The zone allows for a variety of development opportunities including 1) stand-alone commercial; or 2) mixed use, with general commercial use types. Commercial allows a wide range of general commercial activities, including auto-related uses, retailing, service, and visitor-serving uses, with the intent of accommodating citywide or regional needs and serving the needs of persons visiting the city for business and recreational purposes. Mixed Use allows commercial and residential uses at a maximum density of 25.0 dwelling units per net acre on the same property or in the same structure, with the intent of providing opportunities for housing and live/work or artisan loft arrangements, while also mitigating the impacts between commercial and residential uses. The surrounding land use patterns support the allowable uses within this zone.

Financially Feasible – The surrounding uses, size and access to and from the property would render development of a variety of uses possible. However, based primarily on the retail and commercial land use patterns along Coast Highway 101, the heavy traffic and pedestrian activity along No. Coast Hwy 101, and the existence of train tracks directly in front of the subject property on the east side of No. Coast Hwy 101, the maximally productive use of the site would be for some form of retail or commercial development that would take advantage of the high traffic and exposure afforded by No. Coast Highway 101.

Maximally Productive – Considering the legally permissible, physically possible and financially feasible uses in the current market, the highest and best use is for some form of retail or commercial development.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

As Improved

The subject property contains a two-story hotel property that contains 45 guest rooms and tuck under parking. Like many other coastal properties with older building improvements that identify with nearby ocean access and local shops and establishments, the strong location of the property has sustained the continued use of the improvements notwithstanding their older age.

At the time of inspection, the hotel has ceased operation, which is confirmed by the inability to make reservations at the site and a statement on the internet reservation site which indicated the property has been closed. It is assumed that this closure is in response to a proposed development on the site to be known as Hotel 101, which will reduce the number of hotel rooms to 35, add an additional 11 parking stalls, restrict access to Melrose Avenue, add an electronic gate at the entrance off No. Coast Hwy 101, and provide on-site valet operations. Additional modifications to the property on the lower level (ground floor area) of the proposed project includes lobby check-in and public-seating, lobby bar, sunken fire pit, manager's office, two unisex bathrooms, a full-service kitchen without dining area, laundry room, two patios with seating and 10 hotel rooms. The second level of the proposed project includes three hotel suites, a meeting area, a unisex restroom, 22 hotel rooms, and three raised sitting areas. The public roof deck of the proposed project includes an open-air deck with alcohol service, with the private roof deck covering 752 square feet.

Notwithstanding the recent closure of the property, the status of the property as a hotel and the entitlement/approval status of the proposed development, it is assumed in this appraisal report that an operational hotel exists at a quality and condition commensurate with that which existed at its last date of operation. This premise is necessary to achieve the intended use of the appraisal which is to establish the contributory value of the building improvements as a viable hotel operation.

As will be shown later in the report, the indicated land value is less than the overall value as a hotel operation, with the building improvements contributing value over and above land value. Both the sales comparison and income approaches to value provided a reconciled value of \$3,900,000 for the property as operated with a hotel. As such, it is concluded that the highest and best use of the property, as improved with a hotel, is for continued use as a hotel.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Appraisal Procedures Followed, Methodologies

For the appraisal of the subject property, both the sales comparison approach and the income capitalization approach are applicable approaches in valuing the property as a hotel. However, only the sales comparison approach is applicable and will be use in valuing the land as if vacant and available for development to its highest and best use.

The sales comparison approach derives a market value opinion by making a comparative analysis of recently sold properties having similar physical and economic characteristics to the property being appraised. Each sale property is compared to the subject property focusing on similarities and differences that influence value.

The income capitalization approach is a method of valuation suited for investment properties because the foundation of the estimate is anticipated income, which is the primary reason investors buy this type of property. The price they are willing to pay is directly related to the income it is capable of producing and its prospect for change in value. The income approach will also be used in this appraisal as the subject property would be viewed by potential buyers of the property as a long term or short term (interim income while obtaining entitlements for redevelopment) investment property. Current market participants are purchasing properties similar to the subject property based on this type of analysis and listing agents would be pricing or selling properties based on this analysis. The cost approach was not employed in the valuation of the subject property because the subject property contains very old improvements, has a significant amount of depreciation that is difficult to measure, and buyers are not purchasing property based on a depreciated replacement cost analysis.

Sales Comparison Approach

Several sales and listings of hotel properties have been selected to process the sales comparison approach to value. On a following page is a summary of the market data, followed by a Market Data Map which shows the relative location of each sale to the subject property. After this is a discussion of each of the sales, comparing each to the subject property for each relevant element of comparison and from this analysis an appropriate value indication is concluded in the reconciliation section of the appraisal report.

As hotel properties are pursued by investors on a more regional basis, the sale properties are all located within the County of San Diego and were selected primarily on reported room rates, number of rooms and building age/condition. These transactions are considered good alternative to a purchase of the subject property. All sales have occurred in either 2017 or 2018 and are considered suitable alternatives for a buyer interested in purchasing the subject property. The properties range in size from 12 to 118 rooms, which brackets the subject's 45 rooms. Overall, this is considered a very reasonable data set from which to estimate the market value of the subject property on an as-is basis.

Attempts were made to verify each sale with a party to the transaction but some of the sales information is based solely on public records; Costar, MLS, RealQuest, LandVision, and personal inspection.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Comparable Sales Summary

IMPROVED COMPARABLES SUMMARY									
	1	2	3	4	5	6	7	8	
Location	186 N. Coast Hwy 101	778 Broadway	641 Camino Del Rio So.	2020 S. Coast Hwy	771 El Cajon Blvd	1355 E. Main Street	650 Mollison Ave	3135 Old Hwy 395	
Community/Sub-Market	Encinitas	Chula Vista	San Diego	Oceanside	El Cajon	El Cajon	El Cajon	Fallbrook	
Zip Code	92024	91910	92108	92054	92020	92021	92021	92028	
Assessor Parcel No.	256-392-11	571-200-19	444-120-23	155-032-20	492-641-04	489-180-77	484-321-09, 11	125-060-57	
Land Area (SF)	21,670	30,492	77,537	13,068	14,327	40,075	76,230	79,715	
Building Area (SF)	14,728	33,393	63,000	4,211	6,383	20,547	43,000	19,031	
No. Rooms	45	50	169	12	24	47	95	41	
Year Built/Condition	1988/Average	1960/Average	1985/Average	1961/Average	1988/Average	1987/Average	1989/Average	1988/Average	
Quality/Design/Appeal	Average	Average	Good	Average	Average	Average	Average	Average	
Seller	Golden Globe Group LLC	Yih-ruey & Chan-yung Chang	Pinnacle Mission Valley LP	Shrikant & Sunita Sawant	Ajay & Jagruti Patel	Michael H. Kim APC Law Firm	TCFC Limited Partnership 25%	Kamia Hotels	
Buyer	101 Hotel LLC	Best Choice LLC	Kabir Bluestar LLC	South O LLC	Nexen LLC	Vista International Inc.	Ramona & Main LLC	KP Hospitality, Inc.	
Document No.	15-0019184	18-04765-49	18-000624	17-0153172	18-0040356	18-0101215	18-0135547	18-0355237	
DOV/Recording Date	1/30/2019/1/15/2015	6/19/2018	1/2/2018	4/5/2017	1/31/2018	3/14/2018	3/23/2018	8/29/2018	
Financing	Assume All Cash to Seller	All Cash to Seller	All Cash to Seller	All Cash to Seller	All Cash to Seller	All Cash to Seller	All Cash to Seller	All Cash to Seller	
Sale Price	\$3,780,000	\$4,000,000	\$19,500,000	\$1,000,000	\$2,300,000	\$5,100,000	\$8,000,000	\$4,100,000	
Price Per SF	\$256.65	119.79	309.52	237.47	360.33	248.21	186.05	215.44	
Price Per Room	\$84,000	\$80,000	\$115,385	\$83,333	\$95,833	\$108,511	\$84,211	\$100,000	

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Market Data Map

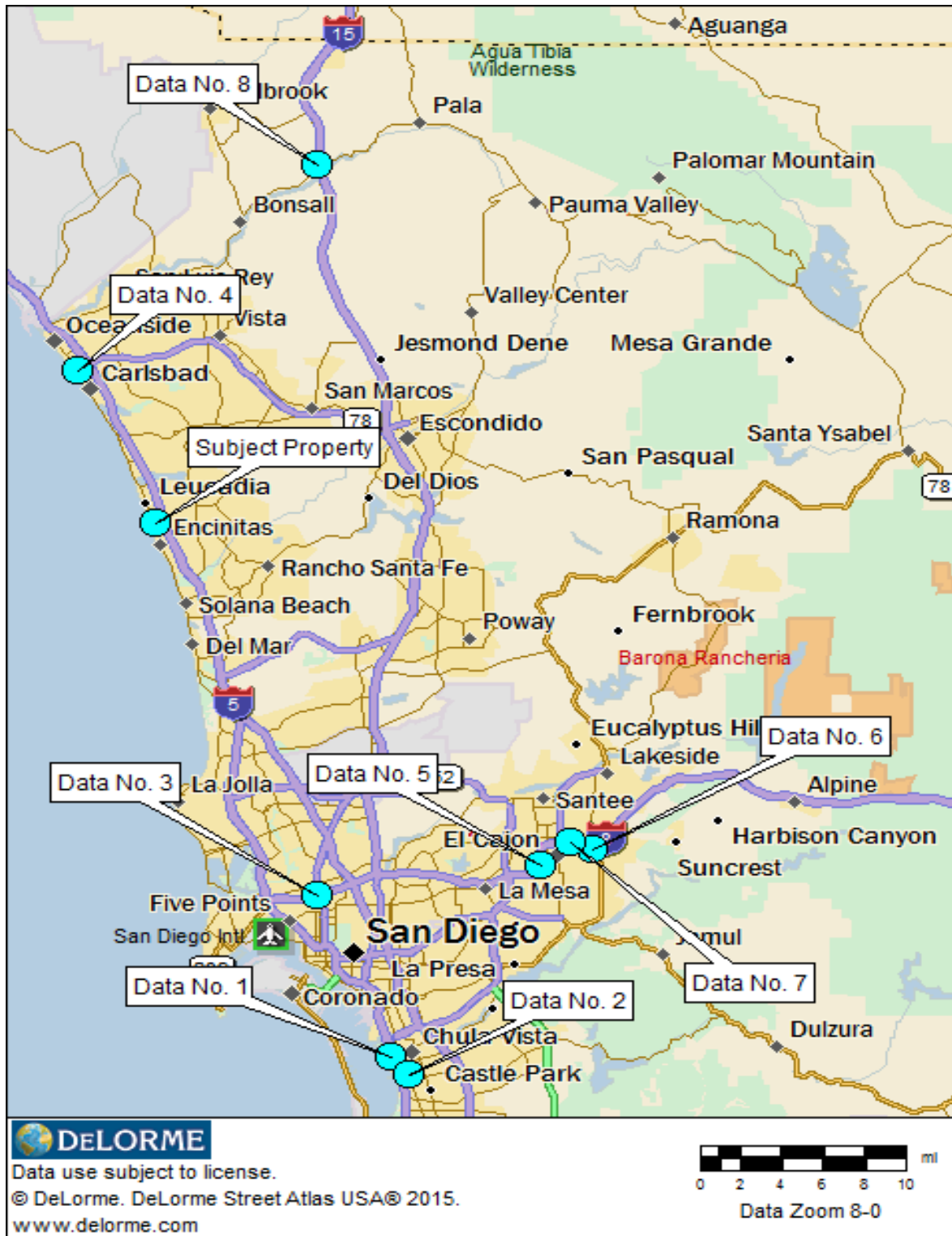


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Market Data Description

Data 1- Days Inn Wyndham Hotel located adjacent to the Interstate 5 freeway in the south bay community of Chula Vista. Located just south of the E Street offramp, the published rates for rooms (1 King or 2 queen beds) is \$75 per night plus tax. The room rate includes a continental breakfast.

Data 2 – 50-room Best Choice Hotel located in the community of Chula Vista. At the time of sale, only 40 of the 50 rooms were operable, with the buyer planning on doing some renovations this year. The property appears to be in fair to average condition, with the published room rates being \$65 per night plus tax.

Data 3 – Larger La Quinta hotel located in the central San Diego community of Mission Valley. The property is in good condition and well maintained. The location caters to SeaWorld visitors, with the published rates being \$119 plus tax.

Data 4- This was an off-market transaction of an older, smaller bed & breakfast property (Ocean Breeze Inn) in the coastal city of Oceanside. The property contains 12 rooms (11 rooms plus 3-bedroom manager apartment), with the buyer planning on doing a large renovation of the property. Like the subject property, this property is now closed for business. However, the latest listing of the property indicated that the average daily rate for the property was \$60, with the REVPAR (accounts for vacancy) being \$55.

Data 5 -Sale of a 24- room hotel that was built in 1988, located in the east County community of El Cajon. The property will continue to be operated under the name Villa Serena Motel. The buyer purchased the property as an investment and plans on running the business himself. There are living quarters on the premises, with the 2-story building being complemented with 14 onsite parking spaces. According to on-site management, the room rate is \$68 including tax resulting in the basic room rate being about \$60.

Data 6 – Sale of a well-maintained hotel (Courtesy Inn) located in the east county city of El Cajon. The property has 47 rooms with the average daily rate reported at \$87.00 at the time of sale. The property has 35 surface parking spaces, is 3-story in design, with the room rate including a continental breakfast. The property sold on a 6.90% overall capitalization rate.

Data 7 is the sale of a 95-room Best Western Continental Inn located in the city of El Cajon. The building was constructed in 1989 and is 2-story in design. There are 60 open surface parking spaces. The property sold on a 9.13% overall capitalization rate. Published rates have the rooms at \$71 per night plus tax.

Data 8 is the sale of a Comfort Inn located in the inland community of Fallbrook. Located along the Interstate 15 freeway, the property has 41 rooms with the building constructed in 1988. The property is 2-story in design and has 55 surface parking spaces. The property has no suites, no lounge or meeting rooms. Included in the sale was a vacant 1,850 square foot restaurant. At the time of sale, the property was 65.61% occupied and had a \$91.29 average daily rate.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Adjustment Considerations

The sale comparables indicate a price range of \$80,000 to \$115,385 per room, with the lower indications attributed to inferior location, older ages, and lower room rates. Conversely, the higher indications are attributed to superior quality/condition, newer ages, and higher room rates. The subject property was purchased by its current owner in January of 2015 at a price of \$84,000 per room which is at the lower end of the comparables range. While the subject also falls within the \$ per square foot range indicated by the comparables, hotel properties are not purchased on a \$/per square foot basis, with a \$/per square foot analysis not being considered.

The subject's average daily rate at the time of purchase was reported at \$76.00 which is within the \$60 to \$119 nightly rate range indicated by the comparables. It is recognized that an average daily rate considers all discounted rates and will be lower than the advertised rates to the public. However, absent both rack rates and average daily rate information for each of the properties, some correlation can still be drawn that shows the subject room rates being comparable to the sales.

A summary of the sales in relation to the subject is shown as follows:

Ranking Analysis		
Data No	Price/Room	ADR/Rack Rate
3	\$115,385	\$119
8	\$100,000	\$91
6	\$108,511	\$87
1	\$97,458	\$75
7	\$84,211	\$71
Subject	\$84,000	\$76
2	\$80,000	\$65
4	\$83,333	\$60
5	\$95,833	\$60

While income does not tell the whole story in the value of investment properties, there is a strong correlation between the two factors. Age and quality of improvements as well as highest and best use issues also have an impact on value. As shown, the subject's last sale price falls within the comparables indications, with the correlation between its higher ADR and a lower sale price (compared to the sales transactions), indicating a higher overall capitalization rate. This is consistent with older properties that are positioned for redevelopment as is the case with the subject property.

The operating performance of the subject property since January 2015 cannot be ascertained as no financials are available. Furthermore, the motivation behind the purchase of the property (redevelopment) would suggest that steps necessary to increase value (new capital improvements, increased marketing and higher room rates, and reduced expenses) have most likely not been undertaken, and thus the net operating income for the property would not be expected to increase substantially from its sale price in January 2015. This is supported by some

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

of the property reviews provided by guests that stayed in the hotel during the years 2016 and 2018. A summary of these reviews is as follows:

- The atmosphere of this hotel is not that great
- The TV was awful – “old fashioned TV” – can you believe that?
- The carpet in the room doesn’t look so clean
- Coffee maker was broken; asked for a replacement and never got one
- There was no housekeeping
- Bad parking, ants in bathtub, and bad water pressure
- The place has gone downhill since new ownership took over; they used to have coffee and donuts in the lobby, but they even took that away.
- They assigned me an already occupied room, so I had to wait for the desk person to sort that out, and staff was not friendly.
- The place could use some maintenance and sprucing up.
- The parking under the rooms was a challenge as the spaces were very narrow.
- Old facility – TV didn’t work.
- Room was musty and new paint left something to be desired; TV remote was on the fritz, and carpet was old and buckling.
- The place is old and tired and needs updating with minor repairs being overlooked; exterior walkways are not as clean as they can be, with the quality of towels changing from day to day.
- The rooms are ancient and definitely overdue for a remodel. Beds come with sand, and the décor is super outdated. Carpet was very dirty, with walls, outlets, furniture very beat up with bad scuff marks. There is also a TV that dates back to the 90’s and is apparently just for décor since it has no working channels.
- The mattress springs broke my back! The parking stalls are narrow; no more continental breakfast as before. Paying in advance? That was new.

These comments suggest that the hotel has not been upgraded since its last purchase. As such, it is concluded that the January 2015 sale is the strongest indication of value and that a value of \$84,000 per room is supported for the subject property via the sales comparison approach. This results in a value of \$3,780,000 for the property (45 rooms x \$84,000).

Income Capitalization Approach

The income capitalization approach analyzes a property’s capacity to generate net income. The subject is analyzed using techniques similar to those a potential purchaser/investor would use. For purposes of this analysis, the direct capitalization method has been relied on, which is the most commonly used method employed by buyers and sellers of hospitality properties. However, due to the nature of this assignment (no contact with property owners), the analysis will not have the benefit of the actual operating performance figures from the subject property.

In the direct capitalization method, an overall capitalization rate derived from market data is applied to the net operating income to indicate market value. The data and analysis used in the direct capitalization analysis are presented on the following pages.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Potential Gross Income

The first step in the income capitalization approach is estimating the potential gross income for the property. This analysis considers both the contract rent (rent currently being achieved) as well as comparable leases being obtained in the market. As the subject property is now closed, the latest room rate information available for the subject property indicated an average daily rate of about \$76, and an estimated rack rate of \$83.60 (10% higher). Both rates are before taxes.

Market Rent

A summary of comparable hotel properties in the immediate area is presented as follows:

ROOM RATE COMPARABLES

Property/Location	City	# of Rooms	Room Rate	Yr Built
Econo Lodge 410 N. Coast Hwy 101	Encinitas	32	\$75	1987
Best Western Encinitas 85 Encinitas Blvd.	Encinitas	90	\$114	1990
Holiday Inn Express 1661 Villa Cardiff Drive	Encinitas	100	\$109	2004
Leucadia Beach Inn 1322 N. Coast Hwy 101	Encinitas	22	\$84	1975
Days Inn Wyndham 133 Encinitas Blvd.	Encinitas	124	\$70	1985
Rodeway Inn 1444 N. Coast Hwy 101	Encinitas	52	\$57	1991
Quality Inn 607 Leucadia Blvd.	Encinitas	101	\$79	1986
Holiday Inn Express 751 Raintree Drive	Carlsbad	125	\$89	2013
La Quinta Inn & Suites 760 Macadamia Drive	Carlsbad	110	\$100	1989
Moonlight Beach Motel 233 2nd Street	Encinitas	24	\$120	1975
Ramada by Wyndham 751 Macadamia Drive	Carlsbad	121	\$63	1989
Motel 6 Carlsbad Beach 750 Raintree Drive	Carlsbad	160	\$67	1989
Royal Motor Inn 1488-96 N. Coast Hwy 101	Encinitas	9	\$50	1965
Averages		82	\$83	1988

Market Rent Discussion

As shown, the room rate comparables consist of 10 economy hotels in Encinitas and four economy hotels in Carlsbad and indicate a room rate range (before taxes) between \$50 - \$120 per night. The lowest rate is for a single story, poor condition motor lodge located on N. Coast Hwy 101, with the other lower rate hotels attributed to average quality/condition hotels with a large number of rooms. The highest rates are attributed to higher quality, better located or superior amenity (kitchenettes) properties which warrant their higher rates. The quality/condition and beach proximity for the subject falls within the middle of the comparables as shown by the average rates of the comparables (\$83.00) and the last rate information available for the subject (\$83.60).

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Based on the comparables information, it is concluded that the room rate being achieved at the subject property is representative of market rent, with the concluded market room rate being \$83.50.

Vacancy and Collection Loss

The historical occupancy of the subject property is unknown. Typically, properties with a smaller number of rooms with proximity to the ocean can keep their occupancies up, with location trumping property deficiencies and lack of maintenance. Due to the lack of occupancy information for the subject, occupancy information pertaining to local and regional hotel will be used in estimating occupancy.

Operating Expenses

The operating expenses for the subject property are unknown. As such, the expenses will be based on operating expenses that are incurred for properties similar to the subject property in three categories – rate (\$75 - \$115), geography (Mountain/Pacific), and number of rooms (<100 rooms). This information is provided by CBRE Hotels. A summary of these operating expense figures as well as the occupancy, ADR and RevPAR for the hotels from the information is derived is shown below.

Hotel Operating Statistics (PKF)				
Classification	\$75- \$115	Mtn/Pacific	< 100 Rms	Average
Revenues				
Rooms	98.3%	97.2%	97.7%	97.7%
Other Oper Depts	1.1%	1.8%	1.3%	1.4%
Misc Income	<u>0.6%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>0.9%</u>
Total	100.0%	100.0%	100.0%	100.0%
Dept Expenses				
Rooms	28.4%	26.7%	27.0%	27.4%
Other Oper Depts	<u>69.5%</u>	<u>46.7%</u>	<u>68.9%</u>	<u>61.7%</u>
Total	28.7%	26.8%	27.3%	27.6%
Undist. Oper Expense				
Admin & General	8.8%	8.3%	9.0%	8.7%
IT Systems	1.0%	1.1%	1.5%	1.2%
Sales & Marketing	11.4%	10.7%	11.8%	11.3%
Prop Oper & Maint	5.2%	4.3%	4.7%	4.7%
Utilities	<u>4.4%</u>	<u>3.4%</u>	<u>3.8%</u>	<u>3.9%</u>
Total	30.8%	27.8%	30.8%	29.8%
Management Fees				
	3.0%	3.2%	3.5%	3.2%
Non Oper Expenses				
Rent	2.6%	5.7%	4.4%	4.2%
Property/Other Taxes	3.9%	3.2%	3.6%	3.6%
Insurance	0.9%	0.9%	1.1%	1.0%
Other	<u>0.5%</u>	<u>0.6%</u>	<u>1.1%</u>	<u>0.7%</u>
Total	7.9%	10.4%	10.2%	9.5%
Total Expenses	70.4%	68.2%	71.8%	70.1%
EBITDA	29.6%	31.8%	28.2%	29.9%
Occupancy Percent				
ADR	\$95.63	\$121.91	\$115.34	\$110.96
RevPAR	\$66.99	\$90.45	\$83.48	\$80.31

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

As shown, the expenses in each of the classifications as a percentage of total revenues for each of the categories (department expense, undistributed operating expense, management fees, and non-operating expenses) are strongly supportive of each other. Furthermore, the total expenses as well as the EBITDA (net operating income) are strongly supportive of each other. As such, the average of each of the classifications will be used in the income analysis of the subject.

Overall Capitalization Rate

The subject is a hotel that has deferred maintenance and a lower room rate structure. However, its strong coastal location and reduced risk associated with achievable rooms rates (whatever that level is) suggests that a relatively strong overall capitalization rate can still be achieved by a seller of the property. As such, the capitalization rate for the subject property will be selected from the following sales data.

Overall Rate Summary							
Data #	Address	City	Sale Date	Price	# Rooms	Age	OAR
1	1060 Adella Avenue	Coronado	7/19/2018	\$8,874,000	17	1906	6.80%
2	33961 Bailey Meadow Rd	Palomar Mtn	10/10/2018	\$1,450,000	14	2000	6.00%
3	419 W. Beech Street	San Diego	10/26/2017	\$2,850,000	30	1909	6.19%
4	1355 E Main Street	El Cajon	3/14/2018	\$5,100,000	47	1987	6.90%
5	1549 E. Main Street	El Cajon	3/1/2017	\$5,630,000	75	1973	5.77%
6	1410 Rosecrans Street	San Diego	10/5/2018	\$5,540,000	24	1961	5.50%
7	655 San Ysidro Blvd.	San Ysidro	3/8/2018	\$6,700,000	100	1960	6.57%
Concluded OAR							6.75%

The subject property is older and has higher risk associated with it compared to the sales due to lower income (economy room rates) and a higher level of expenses (higher maintenance & repairs). As such, an overall capitalization rate toward the upper end of the range indicated by the comparables, or 6.75% is concluded for the subject property.

Direct Capitalization Analysis

Using the analysis and conclusion above, the indicated value for the subject property via direct capitalization is shown as follows:

DIRECT CAPITALIZATION WORKSHEET						
186 No. Coast Hwy 101						
Revenue						
	No. of Rooms	Rates	Days	Totals	% Total Oper Rev	
Rack Rate		\$84.50				
ADR		\$76.05				
Occupancy		72.20%				
RevPAR	45	\$54.91	365	\$901,866	97.70%	
Rooms				\$12,626	1.40%	
Other Operating Departments				<u>\$8,117</u>	<u>0.90%</u>	
Miscellaneous				\$922,608	100.00%	
Total Operating Revenue						
Operating Expenses						
Department Expense				\$254,640	27.6%	
Undistributed Operating Expenses				\$274,937	29.8%	
Management				\$29,523	3.2%	
Non-Operating Expenses				<u>\$87,648</u>	<u>9.5%</u>	
Total Operating Expenses						
				\$646,749	70.1%	
EBITDA (Net Operating Income)				\$275,860		
Overall Capitalization Rate					6.75%	
Indicated Value				\$4,086,814		
Rounded Value				\$4,090,000		
Per Room				\$90,889		

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Reconciliation

The two approaches indicate the following market value for the subject property on a “stabilized” basis:

Sales Comparison Approach	\$3,780,000
Income Capitalization Approach	\$4,090,000

In this appraisal, the sales comparison and income capitalization approaches were used to derive an indication of market value for the subject property. Market participants would give little or no consideration to the cost approach when estimating an opinion of value for properties such as the subject. Therefore, this approach was not used in this appraisal.

The sales comparison approach is important when there are enough recent and reliable transactions to indicate value patterns in the market for a particular type of property. Sales of comparable improved properties often provide the best indication of buyer/seller actions in the marketplace. The inability of the appraiser to make an interior inspection of the subject property and to ascertain the physical and functional condition of the property renders the sales comparison approach less reliable. However, the sales do provide a reasonable valuation point of reference on a price per room basis for other similar hotel properties in San Diego county. Property reviews for guests who have stayed at the property as well as public information was relied on for a profile of the property.

The income capitalization approach reflects the thought process of the potential investor of income-producing properties. Well informed buyers in today's marketplace will consider this approach to be significant in estimating market value. All the rent comparables used in this report would be considered a suitable alternative for a prospective purchaser of the property. However, the lack of an operating history for the subject property (income & expenses) over the past three years render the income approach less reliable than the credibility that is normally achieved. Expenses were based on published information for hotels that fall into similar categories as far as room rate, geographical location and size of properties is concerned. Capitalization rates were derived from actual sales and opinions of market participants.

Based on conversations with market participants, prospective buyers will consider both approaches, but will generally give most weight to the income capitalization approach, particularly for investment properties like the subject. However, due to the lack of specific financial information as well as the lack of an on-site inspection of the property which impacts the credibility of both approaches, similar weight will be given to the value indication for each of the approaches. This results in a market value estimate for the subject property of \$3,900,000.

\$3,900,000

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Land Value

To establish the contributory value of the building improvements, the value of the subject's land "as if vacant" and available for development to its highest and best use must be estimated. The sales comparison approach will be used to estimate the value of the subject's land. The sales collected and analyzed will focus on coastal parcels purchased with a similar level of development potential to that of the subject property. A summary of the transactions is presented as follows:

Land Sales Summary											
Data #	Location	City	APN	Sale Date	Doc #	Seller	Buyer	Price	Size (SF)	SP/SF	Zoning
1	143 S Cedros Ave	Solana Beach	298-074-05, 06	4/7/2017	159487	Going	Hodges	\$1,000,000	10,454	\$95.66	SC (Spec Comm)
2	330 S Cedros Ave	Solana Beach	298-076-13	4/12/2017	165114	Harker	Pacifica Neutral	\$5,500,000	40,946	\$134.32	SC (Spec Comm)
3	Colt Place	Carlsbad	213-262-07	4/4/2017	150251	HCP L.S. Carlsbad	Shea Homes	\$12,500,000	96,268	\$129.85	C-2Q (Gen Neigh Comm)
4	700 Stevens Ave	Solana Beach	298-131-22,27,28	9/12/2018	379506	Stevens St. LLC	City of Solana Bch	\$2,800,000	28,976	\$96.63	GC (Gen. Comm)
5	2001 S. Coast Hwy	Oceanside	155-031-01	11/21/2017	543681	Italia Trust	Cazador LLC	\$4,000,000	32,343	\$123.67	CR(Comm Rec/RH (Res HD)
6	102-116 S. Coast Hwy	Oceanside	147-283-02,03,04,05,08	6/30/2017	KJW	Coast Hwy LLC	PCH Invest Ptners	\$5,000,000	54,886	\$91.10	C2 (Gen Comm)

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Land Comparables Map

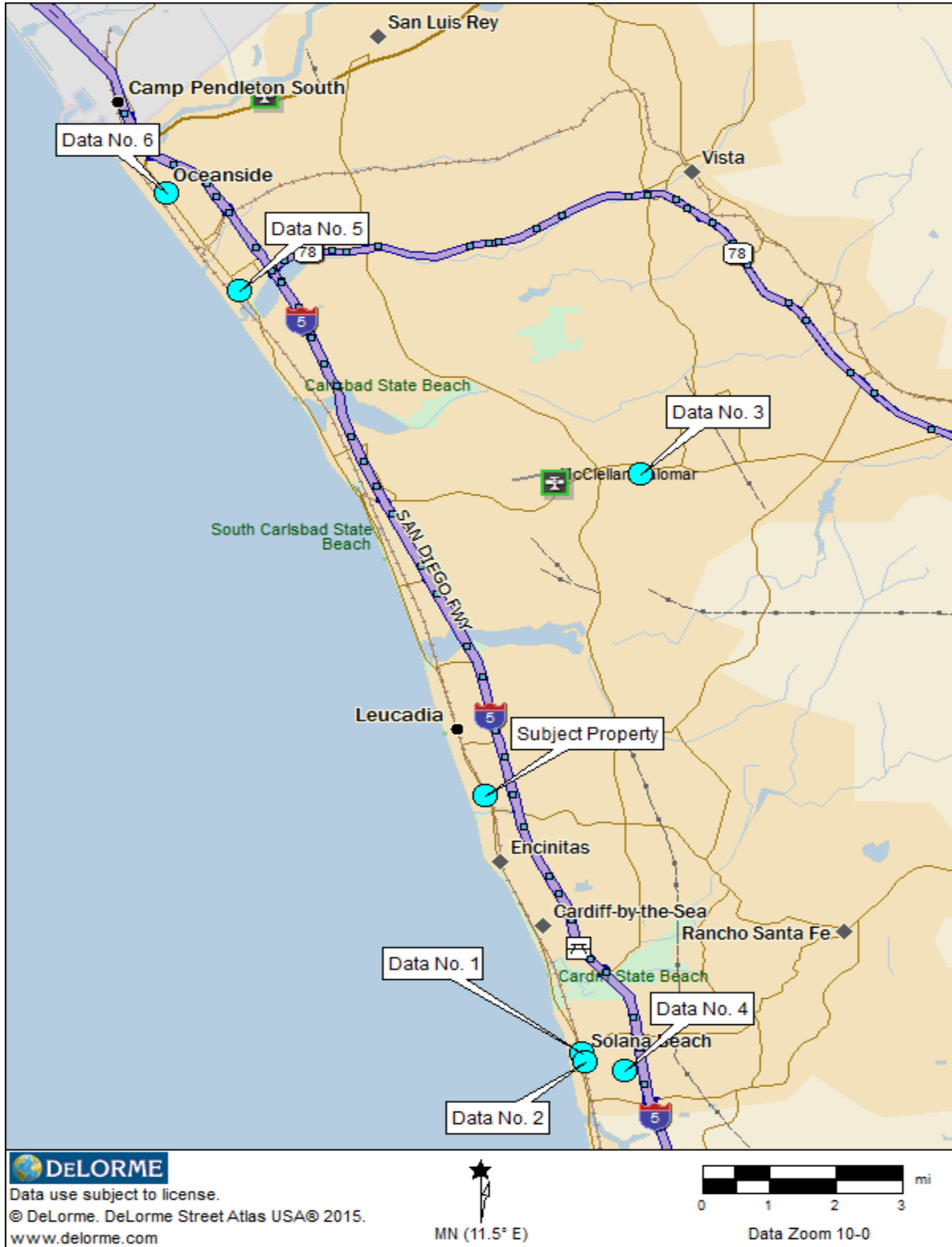


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Discussion of Land Comparables

Data No. 1 – Sale of two adjoining lots located in Solana Beach that are adjacent to parcels already owned by the buyer. The parcels purchased are currently being used for parking purposes under terms of a lease with the buyer being the lessee. While the purchase price is shown as \$1,000,000, another \$500,000 was paid to reflect the value of the lease. This property is slightly smaller than the subject and while more removed from the beach, it is located in the Cedros Design District of Solana Beach, a highly desirable district that is seeing considerable redevelopment both planned and underway.

Data No. 2 – Like Data No. 1, this is the sale of a parcel purchased for land value, located in the Cedros Design District of Solana Beach. The property was purchased by the same entity that owns the subject property, with the intent of redevelopment. The buildings on the property at the time of purchase were given no value. The buyers planned development includes a 26,000 square foot mixed-use project which integrates 3,200 square feet of high-end restaurants, 5,000 square feet of ground-floor retail, 8,000 square feet of office, and eight multifamily units.

Data No. 3 – This is the sale of a 2.21-acre parcel located just south of Palomar Airport Road and west of El Fuerte Street. The property is a portion of a four-parcel purchase of a planned mixed-use development (Lots 29-32 of Bressi Ranch totaling approximately 18 acres) that was purchased for 26.5 million dollars, or \$33.80 per square foot. This sale (Lot 30) sold separately from the other three lots and was purchased for development of 125 luxury condominiums but will be complemented with mixed-use development on the other three parcels that will consist of a food market, a drive through drug store, restaurants, and a specialty market. The entire mixed-use development is across from Bressi Village Retail Center that features a Trader Joe's, a Stater Brothers, some restaurants, offices, a hotel and other businesses. The two transactions covering this development were in escrow for approximately 3.5 years. Due to the large, multiple parcel purchase with above average upside potential, the conditions of sale accompanying this transaction were considered superior.

Data No. 4 is the sale of a 28,976 square foot parcel that was purchased by the city of Solana Beach for expansion of the adjoining neighborhood park known as La Colonia County Park. The property is less than one mile from the Del Mar Race Track, the Cedros Design District, and the Highway 101 corridor. While the intended use is low in intensity, the price paid is reflective of its zoning which allows for development of mixed-use. The parcel was originally listed for sale at \$2,950,000, with the zoning being commercial and allowing for 13 residential units in a mixed-use concept. The site was previously entitled for a 16,740 square foot office building.

Data No. 5 -This is the sale of a split zoned property that is currently improved with two older retail/commercial buildings and 20 older residential units (converted motel). The property was purchased for interim use of the existing improvements, with redevelopment at some future point in time. The property has direct exposure and access to Coast Hwy and has a variety of land use options. While inferior in location, this property is superior in site improvements (interim use of building improvements).

Data No. 6 – This is the sale of multiple adjacent parcels at the corner of Seagaze Drive and S. Coast Hwy in the city of Oceanside. The property is currently improved with a variety of older auto sales and service structures, with the buyer's purchase motivation being future redevelopment. This is a resale of the property which was purchased by the seller in 2016 at a

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

price of \$2,800,000. While inferior to the subject in location, this property is considered similar in access and street frontage due to its location on Coast Highway.

Additional Market Activity

- There is a listing of a 10,175 square foot property (2 adjoining parcels) located at 777,779 & 793 2nd Street in the city of Encinitas. Located not too far south of the subject property within a superior residential neighborhood in the Downtown Encinitas Specific Plan, the property is zoned Commercial Mixed 2 (D-CM -2) which allows for mixed-use development which includes both commercial and residential uses (single & multi-family). However, its location off Hwy 101 suggests a strong likelihood upon redevelopment for multi-family residential development. The property is located one street west of No. Coast Hwy 101, has redevelopment appeal and potential, but is being marketed as an improved property. The asking price is \$3,500,000, or \$343.98 per square foot of land area. The income generating improvements on the property (3 residential units and a garage) amount to a reported monthly income of approximately \$4,300 or \$51,600 on an annual basis. With an adjustment for listing status (15%), a low tax base and tenant covered expenses, and an estimated overall rate of 3.0%, the land value estimated is \$1,430,000 or \$140.54 per square foot. This item of market data is mentioned for information purposes due to its close location to the subject but is not directly comparable to the subject property.
- There was an older sale of a 9,037 square foot parcel located at 754-766 N. Coast Hwy 101 in the city of Encinitas that sold on August 28, 2015 at a price of \$1,000,000. Included in the sale price was \$240,000 for the value of the small businesses, resulting in a value of \$760,000 for the real estate only (\$84.10 per square foot). The older improvements on the property totaling 2,250 square feet consisted of a lawn mower shop, a chiropractic office, and a small workshop. A higher price per square foot is indicated by this sale for the subject property due to improving market conditions for land since this sale occurred.

Value Conclusion

The land sales indicate a range in value between \$95.66 and \$134.32 per square foot for parcels ranging in size between 10,454 and 96,268 square feet. An analysis of land value for properties like the subject, which have mixed use possibilities, has increased sensitivity based on whether residential, retail or commercial uses are constructed. Typically, commercial/retail uses which characterize the Hwy 101 corridor where the subject is located, will not support the higher prices per square foot paid for land purchased for multi-family residential development. This is particularly true for coastal locations where the sale prices and rents are much higher than inland locations.

While the subject property has mixed-use potential, the land use patterns along No. Coast Hwy 101 and the subject's frontage on this heavily traveled corridor suggests that commercial/retail development will take precedent over multi-family development.

An adjustment grid using qualitative analysis for the subject comparable sales is presented below. Noteworthy adjustments include parcel size which, based on market evidence and conversations with brokers, is premised on larger parcels in coastal locations where developable land is scarce as being superior to smaller parcels.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Adjustment Summary						
	Data 1	Data 2	Data 3	Data 4	Data 5	Data 6
Address	143 S. Cedros Ave.	330 S. Cedros Ave.	Colt Place	700 Stevens Ave.	2001 S. Coast Hwy	102-116 S. Coast Hwy
Sale Price (PSF)	\$95.66	\$134.32	\$129.85	\$96.63	\$123.67	\$91.10
<i>Transactional</i>						
Interest Conveyed	Similar	Similar	Similar	Similar	Similar	Similar
Conditions of Sale	Similar	Similar	Superior	Similar	Similar	Similar
Financing	Similar	Similar	Similar	Similar	Similar	Similar
Market Conditions	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>
Comparison	Similar	Similar	Superior	Similar	Similar	Similar
<i>Physical</i>						
Location	Similar	Similar	Inferior	Inferior	Inferior	Inferior
Access	Inferior	Inferior	Inferior	Inferior	Similar	Similar
Street Frontage	Similar	Similar	Similar	Similar	Similar	Similar
Size/Shape	Inferior	Superior	Superior	Similar	Superior	Superior
Zoning/HBU	Similar	Superior	Superior	Similar	Similar	Similar
Site Imp	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Superior</u>	<u>Similar</u>
Overall Comparison	Inferior	Superior	Superior	Inferior	Superior	Inferior
Indicated Value PSF	> \$95.66	< \$134.32	< \$129.85	> \$96.63	< \$123.67	> \$91.10

Based on the above analysis, the subject property should be valued at something greater than 96.63 per square foot, and something less than \$123.67 per square foot. The subject's strengths are access/exposure, and its large parcel size in a coastal community with diverse development potential. Its weaknesses are its traffic and noise which discourage residential development, parking overflow from adjoining businesses along Highway 101 and the older commercial/retail improvements along the highway which somewhat influence and limit development possibilities.

It is concluded that a land value for the subject property of \$100.00 per square foot, or \$2,167,000 is supported by the land comparables (21,670 square feet x \$100.00).

Value Conclusions Summary

As shown in the report, the property as improved for hotel use is concluded to have a value of \$3,900,000, with the land value conclusion being \$2,167,000. This results in a contributory value of the buildings, as presently utilized, of \$1,733,000. The contributory value of the improvements equates to \$117.67 per square foot of building area.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Certification

The undersigned appraiser certifies that, to the best of his knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present, prospective, direct or indirect interest in the property that is the subject of this report, nor personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- Kent J. Carpenter, MAI has not made an interior inspection of the property that is the subject of this report. Inspection of the property consists of only those areas that could be seen from exterior locations.
- No one provided significant real property appraisal assistance to the appraiser signing this certification.
- The appraiser signing this appraisal report has not provided an appraisal of the subject property in the three years immediately preceding acceptance of this assignment. There have been no other services, as an appraiser, or in any other capacity, in the previous three years.
- As of the date of this report, Kent Carpenter, MAI, has completed the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Very Truly Yours,
Epic Land Solutions, Inc.



Kent J. Carpenter, MAI
Certified General Real Estate Appraiser
Senior Appraiser-
Epic Land Solutions, Inc.
California License AG003087

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Improved Sale Comparables

Data 1 Photo – 225 Bay Blvd.



Data No. 2 Photo – 778 Broadway



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 3 Photo – 641 Camino Del Rio South



Data No. 4 Photo – 2020 S. Coast Hwy



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 5 Photo – 771 El Cajon Blvd.



Data No. 6 Photo – 1355 E. Main Street



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 7 Photo – 650 No. Mollison Ave.



Data No. 8 Photo – 3135 Old Hwy 395



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Land Sale Comparables

Data No. 1 Photo –



Assessor's Parcel Map

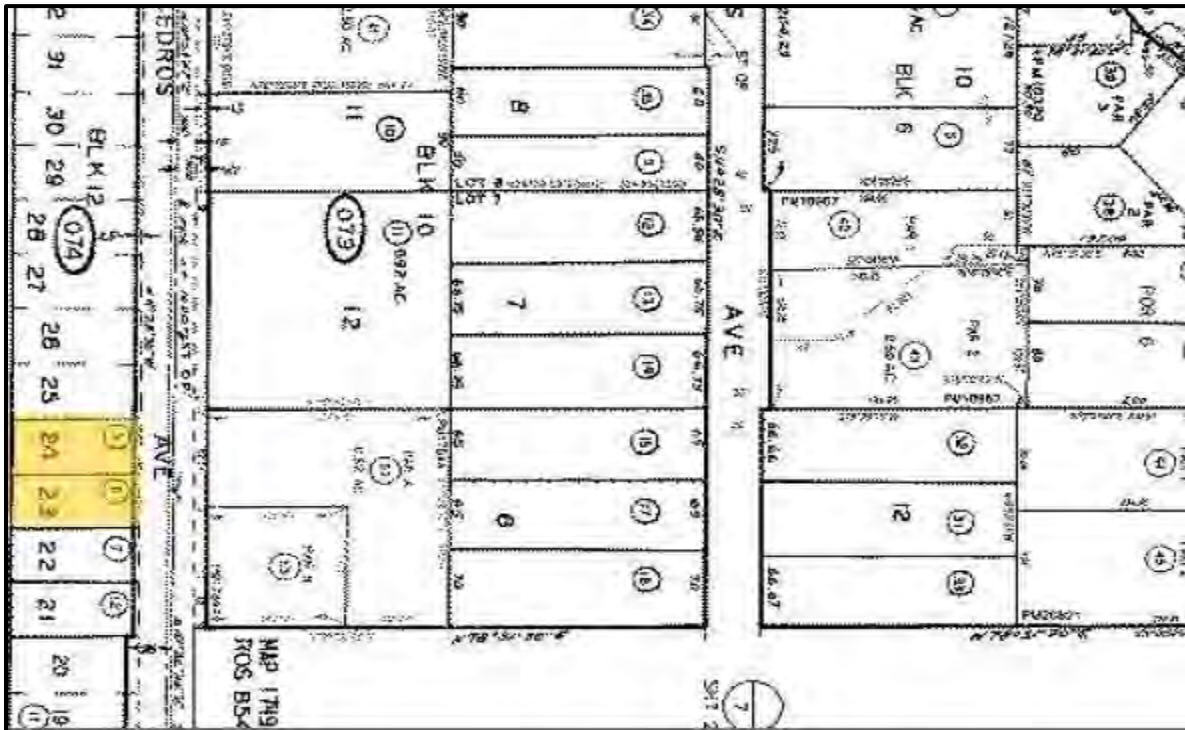
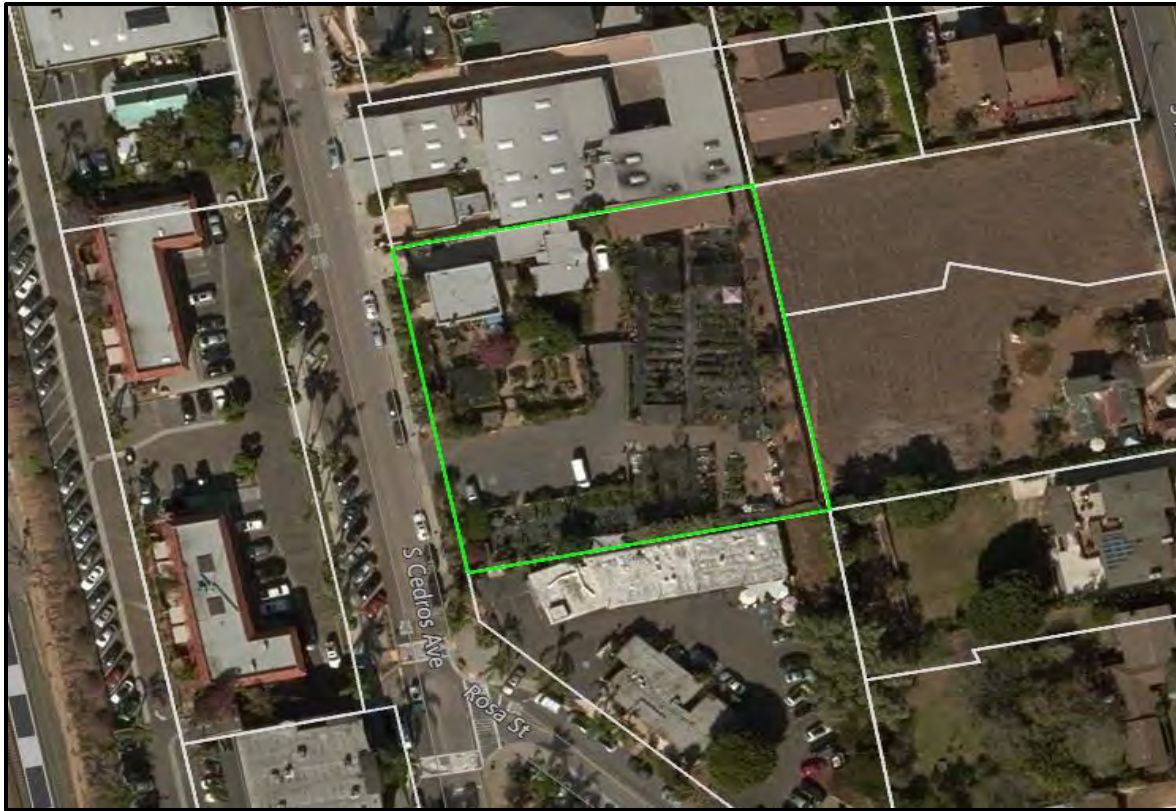


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 2 Photo



Assessor's Parcel Map

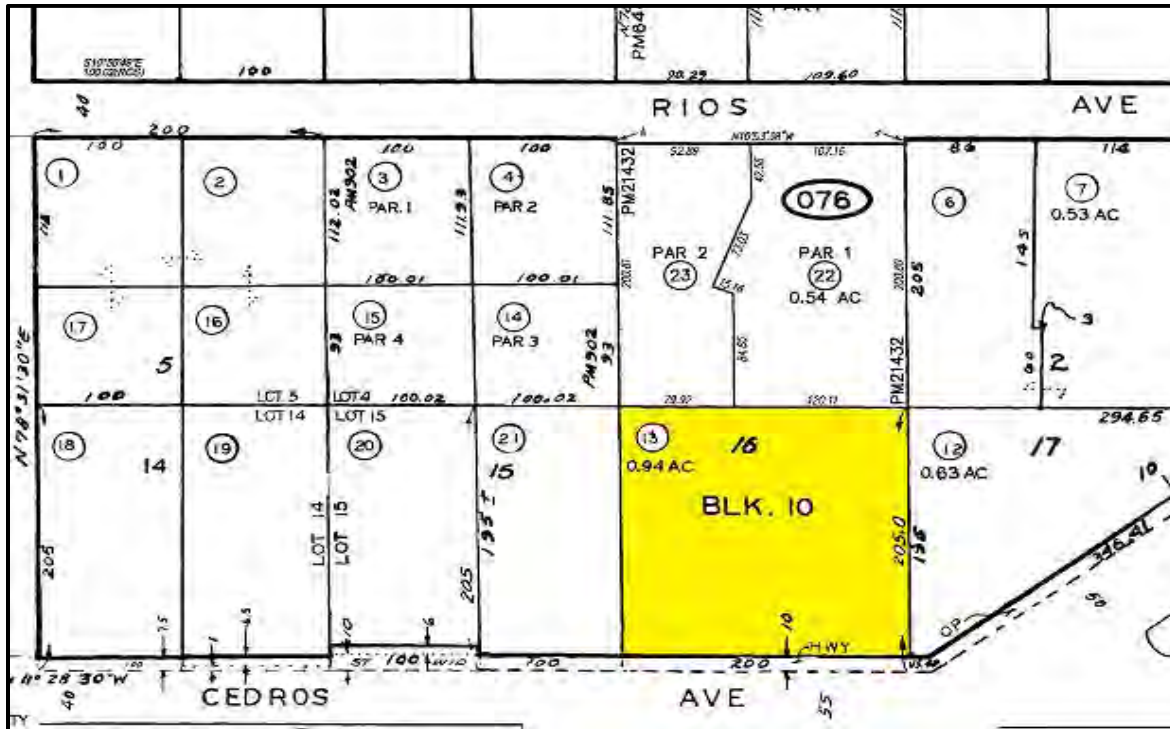
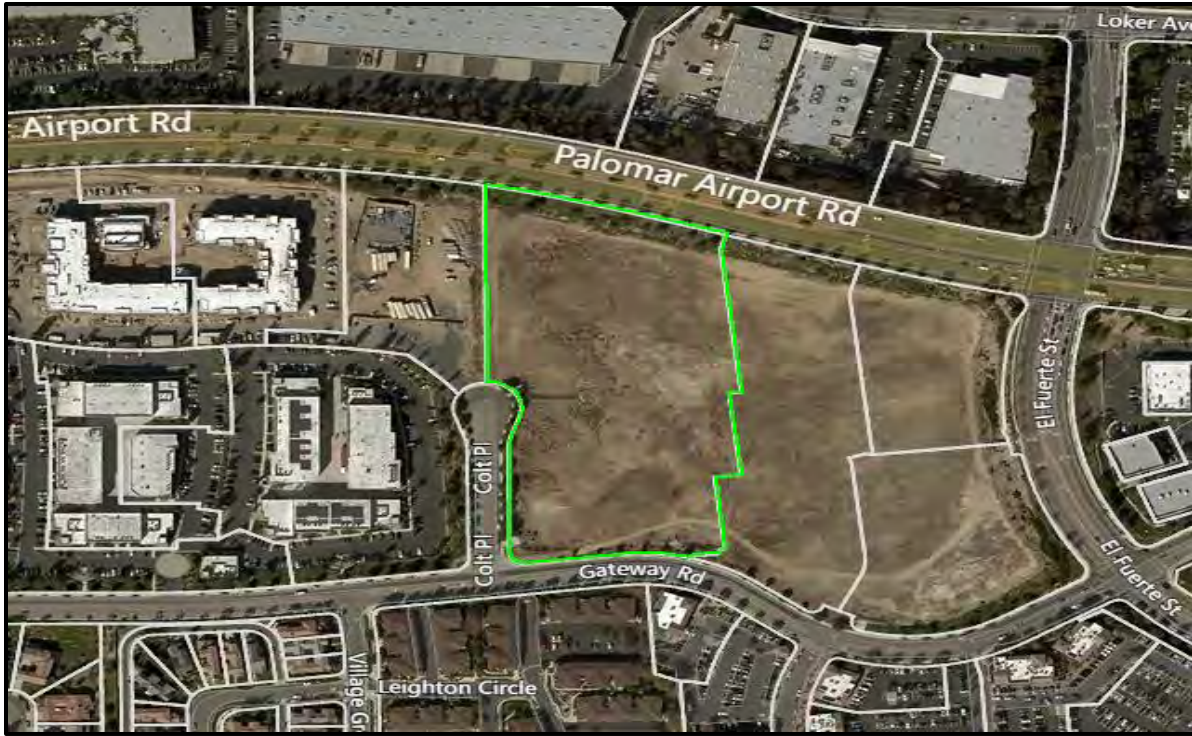


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 3 Photo



Assessor's Parcel Map

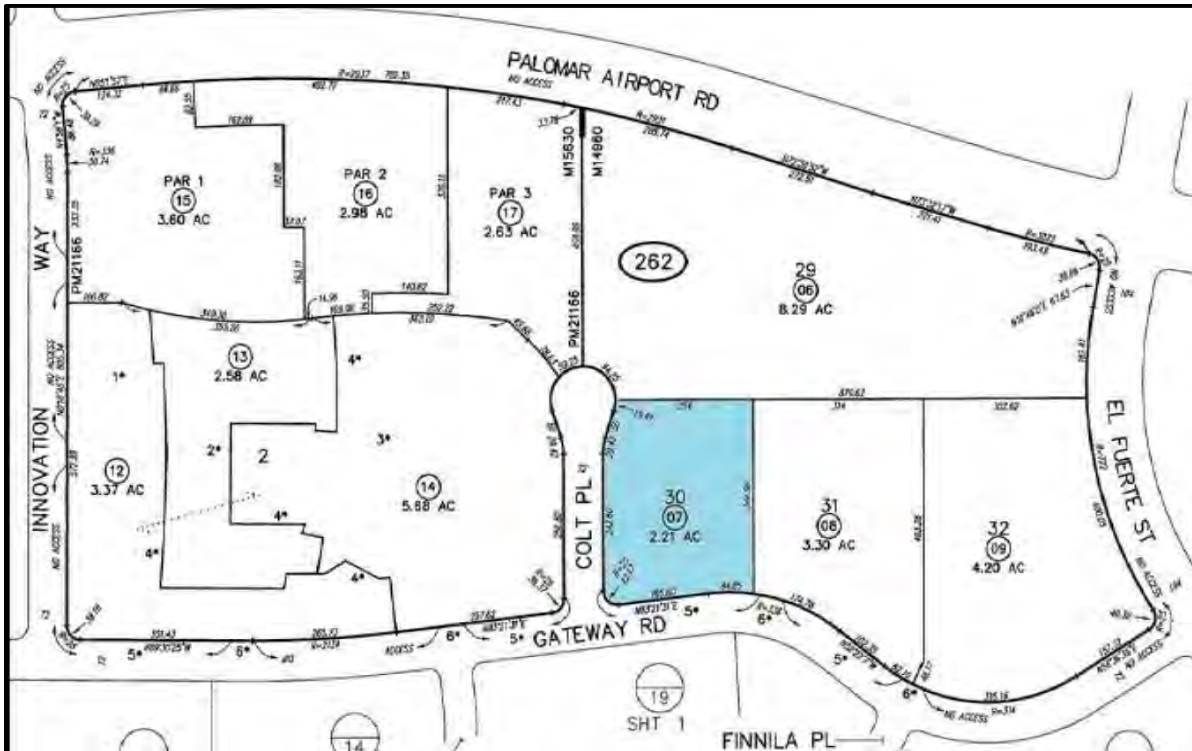


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 4 Photo



Assessor's Parcel Map



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 5 Photo



Assessor's Parcel Map

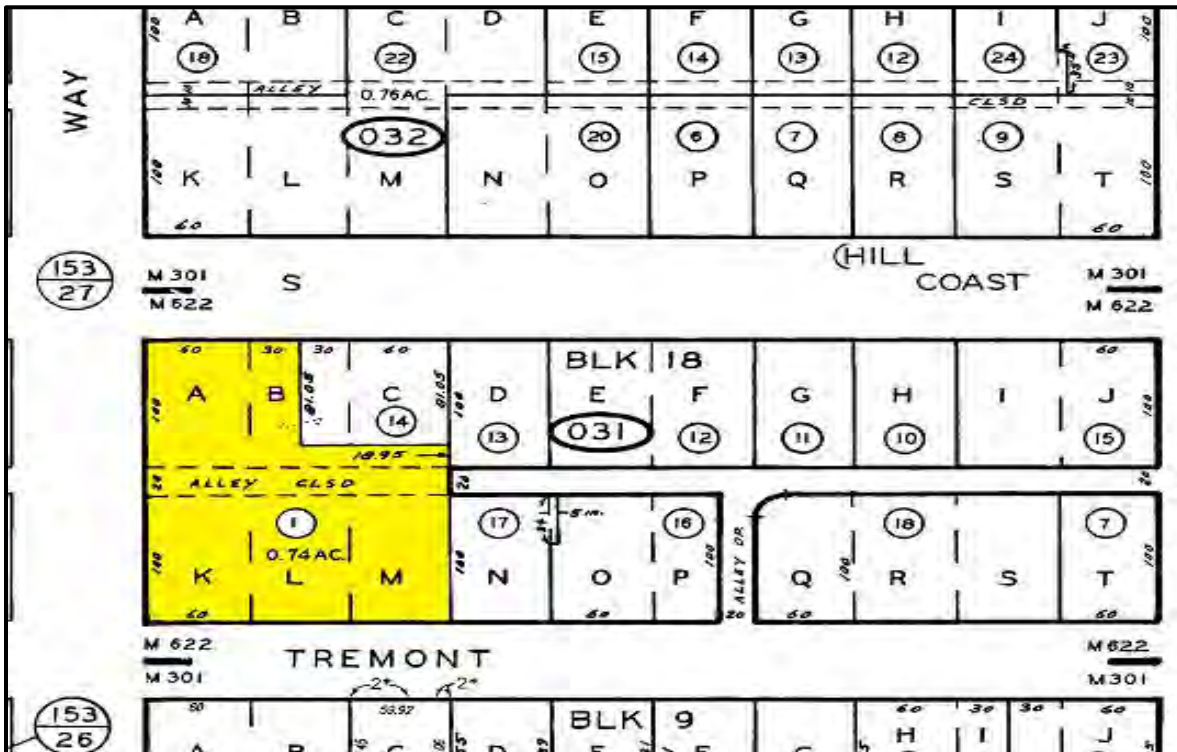


EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Data No. 6 Photo



Assessor's Parcel Map



EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Addenda

Assumptions & Limiting Conditions

This report is made expressly subject to the standard assumptions and conditions which are a normal part of any real estate appraisal.

1. The term "Market Value", as used in this report is defined previously.
2. The date of value to which the conclusions and opinions expressed in this report apply, is as set forth previously in this letter. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.
3. The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of this letter transmitting the report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
6. No opinion as to title is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
7. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
8. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
9. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
10. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
11. No engineering survey has been made by the appraisers. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
12. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as expressly stated.
13. Maps, plats and exhibits included in this part are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

14. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers
15. That possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
16. Unless specifically stated, this appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances and/or underground storage tank (hazardous material), or the cost of encapsulation or removing thereof. Should the client have concern over the existence of such substances on the property, we consider it imperative for you to retain the services of a qualified independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.
17. Notwithstanding its recent closure, it is assumed that the hotel is operational and is constructed and configured to meet current building codes and parking requirements.
18. No interior inspection of the property was made. All descriptions and conclusions regarding the building improvements were based on inspection of the property from exterior locations.
19. It is assumed in this report that a buyer of the property for continued hotel use would be able to use the existing parking spaces for hotel guests on a conforming basis.

EXHIBIT 4. EPIC APPRAISAL FOR ENCINITAS HOTEL PORTOFINO

Background & Qualifications

▪ Kent Carpenter, MAI, Senior Appraiser ¶



Total Years of Experience: 33 ¶
Years with Firm: <1 ¶

Education: Bachelor of Science, Financial Planning & Counseling, Brigham Young University ¶

Graduate Courses, San Diego State University ¶

Registrations/Certifications: ¶
Certified General Real Estate Appraiser, State of California, License # AG003087 ¶

Associations/Organizations: ¶
MAI Designated Member, Appraisal Institute ¶

Officer, San Diego Chapter of the Appraisal Institute, 2008 ¶

Kent J. Carpenter has over 30 years of experience in the valuation of residential, commercial, industrial, agricultural and special purpose properties in California. Prior to joining Epic, Carpenter worked as Managing Director for the San Diego offices of Hilco Real Estate Appraisal and Grubb & Ellis Landauer Valuation Services. Additionally, he was a principal at a top San Diego County appraisal firm — Lipman, Stevens & Carpenter, Inc. Carpenter's extensive experience includes expert witness testimony in federal bankruptcy court, San Diego Superior Court and arbitrations/depositions involving real estate values. Clients include government entities, financial institutions, accounting firms, insurance companies, law firms, developers and private property owners. ¶

Please note: The appraisal group works independently within the Epic organization to ensure complete objectivity and impartiality for all appraisal opinions and conclusions. ¶

▪ Relevant Experience ¶

Valuation Specialties: ¶

- Special purpose properties → Condemnations ¶
- Agricultural Land → Partial Interests ¶
- Industrial/Flex Buildings → Multi-Family ¶
- Shopping Centers → Hotels ¶
- Retail Properties → Offices ¶

Government Clients: ¶

- United States Department of the Interior → General Services Administration (GSA) ¶
- Los Angeles County Community Development Commission → Port of San Diego ¶
- San Diego Metropolitan Transit System (MTS) → County of San Diego → City of San Diego ¶
- City of La Mesa → City of National City → San Diego Unified School District ¶
- Perris Elementary School District ¶

Financial Institution Clients: ¶

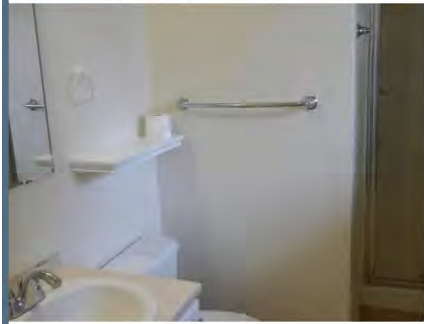
- Teachers Insurance & Annuity Association — College Retirement Equities Fund (TIAA-CREF) ¶
- ING (Retirement & Insurance Products & Services) ¶
- Capital Source Lending → Bank of America → Wells Fargo Bank → Union Bank ¶
- California Bank & Trust → Bank of the West → Metro United Bank → City National Bank → ¶
- Embarcadero Bank → Ironstone Bank → Rabobank → Resmark Equity Partners ¶

Real Estate Clients: ¶

- Quadrant Real Estate Advisors → BAE Systems → Moss Adams → Internal Revenue Service ¶

EXHIBIT 5

6,600 VIEWED THIS POSTING FOR A 350 SQ-FT STUDIO; OVER 70 EMAILED



Zillow Save Share More

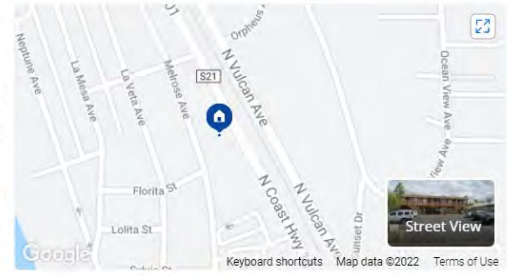
\$1,500/mo Studio | 1 ba | 350 sqft

225 Melrose Ave APT 9, Encinitas, CA 92024

Apartment for rent

Request a tour Request to apply

Overview Facts and features Rent Zestimate Price History



Travel times

Add work destination

Overview

Days Listed 0 | Contacts 0

Covid-19 Note: Applicants must wear a face covering, use provided new nitrile exam gloves and agree to a non-contact forehead temperature measurement. Only applicants allowed in the unit, one at a time. Social distancing required. Studio No. 9, west of Hwy 101, only 1/2-mile to Moonlight Beach and the Encinitas Downtown. Ten-minute walk to Moonlight Beach and Main St. restaurants. Quiet and safe single-family neighborhood. We will show the apartment Saturday January 22, from 10:00 AM to 1:00 PM. We have owned and operated these units for over 30 years. Our careful person-to-person screening process ensures tenant compatibility and quiet enjoyment of their homes by residents. No short-term vacation rentals. Our tenants stay for years. The unit has one reserved off-street parking place. Floor area: 350 sq-ft. Ceiling fan. Front-to-back ventilation from sea breezes. Recent carpeting and bicycle rack in back of building. No smoking or vaping in units or on the property. No pets, service dogs or emotional-support animals. One-year lease. \$1,500 per month and \$1,500 security deposit. Tenant pays for electricity and communications; we provide water and trash. NOTE: YOU MUST INCLUDE YOUR EMAIL ADDRESS FOR US TO SEND AN APPLICATION. Zillow will not forward attachments. We will show this apartment Saturday January 22, from 10:00 AM to 1:00 PM. Please do not go on the property or contact the tenants.

We will show the property January 22. 225 Melrose Ave, No. 9, Encinitas 92024. \$1,500 rent, \$1,500 security deposit. Tenant pays for electricity & communications. We pay for water & trash. One reserved off-street parking place. Ten-minute walk to Moonlight Beach and Encinitas Downtown.

EXHIBIT 6. HUD VERY LOW INCOME CAN PAY \$1,500 FOR RENT



FY 2021 I. COME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2021 Income Limits Summary

Selecting any of the buttons labeled "Click for More Detail" will display detailed calculation steps for each of the various parameters.

FY 2021 Income Limit Area	Median Family Income Click for More Detail	FY 2021 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	\$80,000	Very Low (50%) Income Limits (\$) Click for More Detail	41,400	47,300	53,200	59,100	63,850	68,600	73,300	78,000
		Extremely Low Income Limits (\$)* Click for More Detail	24,850	28,400	31,950	35,450	38,300	41,150	44,000	46,000
		Low (80%) Income Limits (\$) Click for More Detail	66,250	75,700	85,150	94,600	102,200	109,750	117,350	124,000

NOTE: Los Angeles County is part of the **Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area**, so all information presented here applies to all of the **Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area**. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area**.

The **Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area** contains the following areas: Los Angeles County, CA;

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2021 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2021 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see here:

[FY2020 Median Family Income and Income Limits for Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area](#)

Select a different county or county equivalent in California:

Merced County ▲

Modoc County

Mono County

Monterey County

Napa County

Nevada County ▼

[Select county or county equivalent](#)

Select any FY2021 HUD Metropolitan FMR Area's Income Limits:

Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area ▼

[Select HMFA Income Limits Area](#)

Or press below to start over and select a different state:

Select a new state

Update URL For bookmarking or E-Mailing

Prepared by the [Program Parameters and Research Division](#), HUD.

Martha Alvarez

From: Lyn Fisher <fisher6188@aol.com>
Sent: Monday, January 31, 2022 8:47 PM
To: List - City Council
Subject: [EXTERNAL] Janice Hahn Plaque

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

This is beyond absurd!

She is no longer relevant to our district and should not be allowed to intrude. Holly Mitchell does not know much about our district and should not be allowed to intrude. A plaque at Bruce's Beach is enough.

This whole issue has run its course. Shut it down. So many of us are completely disgusted with the lack of leadership among some of our councilpeople, have lost our patience, and want this whole thing turned off!

Martha Alvarez

From: stan johnson <stanmnca34@gmail.com>
Sent: Monday, January 31, 2022 8:29 PM
To: List - City Council
Subject: [EXTERNAL] Bruce's Beach Plaque

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I prefer to see this whole matter go away period. We don't need a plaque celebrating what might have been discriminating practice 100 years ago. The County was given this land by the City years ago and now is acting politically in a fashion that could hurt the City with potential litigation. The courts ruled fair compensation was given at the time. The concept of some family member being denied generational wealth is ridiculous. Other black families that lost their land bought other land at the beach. The Bruces did not by choice apparently. If the County goes ahead with this politically motivated give away. Hahn lost my vote as well as any Council Member that does not protect the City's interest first. Stan Johnson

Martha Alvarez

From: Michael Israeli <mikeisraeli@gmail.com>
Sent: Monday, January 31, 2022 8:13 PM
To: List - City Council
Subject: [EXTERNAL] Enough is Enough

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Tell Janice Hahn to get a real job and a life And stop trying to ruin the lives of the hardworking , taxpaying Americans who live in Manhattan Beach. I vote no on her motion and anything she says or puts forward.

We are losing tons of great hard working Manhattan Beach families because of all of this nonsense.

Enough is Enough.

Mike
19th St. Manhattan Beach

Martha Alvarez

From: William Arledge <wdarledge@aol.com>
Sent: Monday, January 31, 2022 8:12 PM
To: List - City Council
Subject: [EXTERNAL] Bruce's Beach Plaques

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Dear City Council

The Bruce's Beach Task Force had run amok and was disbanded for very sound reasons. Please do not allow those from the defunct History Advisory Board in cooperation with County and State Politicians to permanently engrave their preferred and poorly documented versions of the History of Manhattan Beach on plaques at Bruce's Beach.

Bill Arledge
Long Time Manhattan Beach Resident

Martha Alvarez

From: RALPH MILLER <rbm519@verizon.net>
Sent: Monday, January 31, 2022 7:24 PM
To: List - City Council
Subject: [EXTERNAL] Hahn's Motion for Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I am strongly opposed to Supervisor Hahn's motion to shift the city's responsibility to the County. The city of Manhattan Beach should remain in control of writing the history of Bruce's Beach and not transfer it to the County. The County would undoubtedly use that opportunity for political purposes.

Ralph B. Miller

Martha Alvarez

From: bshea98359@aol.com
Sent: Monday, January 31, 2022 6:53 PM
To: List - City Council
Subject: [EXTERNAL] PLEASE re Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please do not let Janice Hahn anywhere near the process of formulating an Accurate and Meaningful message to reflect the history, meaning, and impact of Bruce's Beach. We have enough agenda driven messaging that divides America ... and she is a master at that process. Let the true historians who actually care about what actually occurred formulate the message that is then vetted by you skillful members of City Council.

Thank you,
Bob Shearin 30 year resident

Martha Alvarez

From: carrie@rognlienlawfirm.com
Sent: Monday, January 31, 2022 6:22 PM
To: List - City Council
Subject: [EXTERNAL] Proposed Updating of Special Events Policy re. Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Manhattan Beach City Council Members,

I am a resident of over 20 years of 2508 Manhattan Avenue, which is a block south of Bruce's Beach. I have just been made aware of the proposed amendment to allow mega events, including alcohol, at Bruce's Beach Park that will be discussed at the February 1st council meeting. I support and respect the recent recognition of the past wrongs done to the Bruce Family and other former African American residents and the efforts being made to remedy and repair those harms. This opposition in no way is meant to reflect on that separate issue. I oppose this amendment for multiple reasons. First, as you are well aware, this park is very small and, essentially, on a steep incline. Thus, the venue does not provide space or topography for large gatherings. Second, there is very limited parking for the park and beach surrounding Bruce's Beach. The two parking lots to the west of the park fill up very quickly. In the summer not only do they fill up by 8:00 am, but there are long lines of cars that block Manhattan Avenue. This got so bad during the pandemic that the City has hired traffic individuals to direct traffic into the lots. The increased number of cars also leads to increase in traffic collisions and dangers to pedestrians. I have personally observed multiple times that cars often do not stop at the stop signs surrounding the lots at Manhattan Avenue. This is especially the case with individuals who are not familiar with the area. Third, this park is in the middle of a residential area with homes surrounding it. The homes are tightly compacted. Holding large events in the park greatly disturbs these resident's use and enjoyment of their homes. This would especially be the case since most of these events would be on the weekend when the residents are at home and not working. Fifth, to allow alcohol to be used at this park will create numerous public safety and potential criminal problems that should be apparent.

Thank you for your consideration to my comments.

Carrie Rognlien

Martha Alvarez

From: Ian McLagan <ian@2400ocean.com>
Sent: Monday, January 31, 2022 5:37 PM
To: List - City Council
Cc: stephanie mclagan
Subject: [EXTERNAL] "No" to Events and Alcohol at Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Council;

Thank you again for all of the hard work that you do. I once sat on an "anti-mansionization committee" for the city and gained an enormous degree of empathy for your efforts and patience in listening to all voices while also trying to keeping Manhattan Beach alive and well.

As a nearby resident to Bruce's Beach, I'll share that the park at Bruce's Beach is a highly inappropriate place for groups to gather due to multiple reasons and should remain highly restricted:

1. We're not affected, but the residents surrounding the park don't deserve any noise. The Sand Section is primarily is a community of "environmentally friendly open windows". Events = closed windows which is not what we want for this city.
2. Out of town people seemingly don't know about the bathrooms at the bottom of the hill and we already routinely see people "squatting" in the bushes when we visit the park with our dogs (on leash).
 - Please poll the people whose houses border on the park. We know a few of them and they can tell stories. Future events will result in further desecration of the park (pun intended).
3. This is tiny public park with limited room to spread out. Any one group can easily over-run the park such that other people either cannot enjoy a wonderful sunset, run their dogs or play hoops with their children.
 - This is not a park for events of any kind as that naturally "excludes" anyone else from enjoying this tiny slice.
4. We have already witnessed abuses of parking with illegal "No Parking" cones and signs being placed ahead of rallies in 2021.
 - Any event of more the 10 people impinges on other park visitors and the neighborhood as a whole.

Thank you again for your consideration.

I also believe that public comments were to remain open until 24 before council meetings, however, I logged on at 5:08 p.m. and found that they were already closed so I am sending this email instead.

Regards,
IM

Ian McLagan
2400 Ocean Drive
Manhattan Beach, CA 90266
m. 310.874.3468
t. 310.546.1069

Martha Alvarez

From: Catherine Strauss <catherineastrauss@gmail.com>
Sent: Monday, January 31, 2022 4:49 PM
To: List - City Council
Subject: [EXTERNAL] Highrose Project

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear City Council,

I own a triplex at 113 35th Street in Manhattan Beach. I have two tenants and I occupy the third unit. I was shocked to learn of the proposed 79 unit High Rose project at the corner of Rosecrans and Highland. I was NEVER notified via mail of this proposed project which troubles me even more as I live just down the street and it greatly impacts not only myself personally, but my tenants. Here are my concerns:

- **TRAFFIC** - Highland/Rosecrans already is a traffic issue, especially during rush hour. I can't think of a feasible way the traffic will be controlled in and out of the building, especially since this property is located on a downward slope. This affects not only Manhattan Beach, but Hermosa, Redondo and South Torrance.
- **HEIGHT** - This is way over the height limit in Manhattan Beach and think it is extremely unfair to those properties on Rosecrans that will be greatly impacted by the potential loss of their view.
- **PARKING** - I assume the city parking at the corner of Rosecrans/Highland will be eliminated? 127 parking spaces is not enough. 27 bicycle spaces is definitely not enough in a city where almost all utilize a bike. We are stretched to the max in North Manhattan Beach for parking and taking away the city lot to build this project is unfair to the residents of MB and the businesses in North Manhattan.
- **DENSITY** - We are on top of each other as it is. This is not being thought out properly.

This being said, I understand that the state is imposing mandates on all cities to increase housing. I do question whether the state really understands the ramification of their law. This is not the place for a 79 unit building.

Thank you for listening.

Best regards,

Catherine Strauss

Martha Alvarez

From: David Marcus <david@marcus.me>
Sent: Monday, January 31, 2022 4:45 PM
To: List - City Council
Subject: [EXTERNAL] Comment on item 22-0078 Bruce Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear members of the City Council,

I'm the owner of the house at 216 28th St, and I'm writing to provide my input to the proposal of lifting large scale events restrictions for Bruce's Beach. I strongly oppose that change of policy that will impact the quality of life of long-standing residents, as well as the overall value of homes in the neighborhood. Bruce's Beach is an amazing space for locals and visitors alike, but having large scale events including alcohol, will lead to noise pollution in an otherwise peaceful environment, increased crime due to alcohol intoxication, and will drive the desirability of the neighborhood down to a massive extent.

I think of the City Council as the governing body that should look after residents and home owners in Manhattan Beach, not random people who will likely attend events, and in that capacity I strongly believe that enabling such events to take place at Bruce's Beach goes against the mandate you've received from your constituents.

I appreciate the time you will take to incorporate this feedback into your thinking before the next Council meeting.

Respectfully,

David Marcus

Martha Alvarez

From: beverly mitchell <bmittell@srm-financial.com>
Sent: Monday, January 31, 2022 4:21 PM
To: City Clerk
Cc: joycem@pipeline.com
Subject: [EXTERNAL] Comments for 2/1/22 Meeting

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

1. I am absolutely opposed to any mega events at Bruce's Beach. This should not even be on the agenda. Please protect our beautiful community and our peace-loving family residents. This is not a playground for radicals; keep them out, please.
2. I am absolutely opposed to the Highland/Rosecrans apartment complex. This should not even be on the agenda it is so radical for our community. Please keep this project out of our community.

Thank you.

Beverly Mitchell
401 19th Street
Manhattan Beach
Cell (310)594-2818



This email has been checked for viruses by Avast antivirus software.
www.avast.com

Martha Alvarez

From: JERRY KINNAN <jkinnan436@aol.com>
Sent: Monday, January 31, 2022 4:10 PM
To: List - City Council
Subject: [EXTERNAL] Our Requests!

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

NO on the high rise HighRose project! This is an abomination! Our community does not need this monster!

NO on events in our small parks! Especially at Bruce's Beach. The congestion and traffic would be untenable for the residents!

We hope ALL of you have the courage to fight for the residents of Manhattan Beach and work for our best interests!

Respectfully,

Pat and Jerry Kinnan

Sent from my iPhone

Martha Alvarez

From: Patti and T Stone <pattistone@roadrunner.com>
Sent: Monday, January 31, 2022 3:36 PM
To: List - City Council
Subject: [EXTERNAL] Oppose Mega Events and Alcohol at Bruce's Beach Park

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Manhattan Beach City Council,

Please register our opposition to the February 1, 2022 request before the Manhattan Beach City Council to allow use of Bruce's Beach Park for large events and to allow the consumption of alcohol within the park. This is a very small neighborhood park in a quiet residential area. The proposed use is not in keeping with the historical use of the park, does not reflect the surrounding community standards, would be a severe and unnecessary imposition on the residents who live in the area, and would significantly change the use of the park from the small, community centered, family friendly park that it has been over the many years that I have live here.

Thank you,

Thornton Stone

113 34th Place, Manhattan Beach

Martha Alvarez

From: Gary Senser <gary@botellosenser.com>
Sent: Monday, January 31, 2022 3:34 PM
To: List - City Council
Subject: [EXTERNAL] Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

As a Manhattan Beach resident and property owner who visits Bruce's Beach park everyday, I strongly oppose any changes to the use of the park to allow for "Mega" events or any events that ignore the current rules for the use of the park. This is a residential area not a commercial zone. Recent events in the park, whether permitted or not, have resulted in disrespect for the park rules that include the use of amplified music, alcoholic beverages, and fireworks as well as complete violation of parking rules that block traffic on surrounding streets. The amount of trash generated is appalling. Why should nearby residents be subjected to the crowds and noise? Please reject this proposal.

--

[Gary Senser](#)

BOTELLO & SENSER TEAM
RE/MAX ESTATE PROPERTIES
310-383-2779 | LIC 01903493

"Luxury is being surrounded by the people you love in an environment that reflects and comforts you. The highest form of luxury will always be to have happiness within you and surrounding you" - Paulo Bacchi, Artefacto

Martha Alvarez

From: Toni Stafford <rntonistafford@gmail.com>
Sent: Monday, January 31, 2022 2:48 PM
To: List - City Council
Subject: [EXTERNAL] Highrose project

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

We are strongly opposed to this project and feel deceived that we never learned about it until 2 weeks ago nor did we receive anything in the mail regarding this tho it was stated that mailers were sent out. We own 3 SFR in MB, living here for 53 years and pay our taxes and live as good citizens. Hoping you will support our stand against this development,, Bruce and Toni Stafford

Martha Alvarez

From: Justin Dechant <justindechant@gmail.com>
Sent: Monday, January 31, 2022 2:23 PM
To: List - City Council; Hildy Stern; Steve Napolitano
Subject: [EXTERNAL] I Oppose Agenda Item 13. 22-0078

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Hello,

My name is Justin Dechant, I own a house adjacent to Bruce's Beach park and I am opposed to the agenda item 13. 22-0078 which calls to:

Removing the Exclusion of Bruce's Beach and 8th Street and Larsson Street Parkettes as Possible Locations

I do not understand the benefit to the community of allowing 1000+ people in any of these small parks. Allowing alcohol as well is a recipe for disaster and is very short sighted. How would police/fire respond to any emergencies if the streets are blocked with traffic? Where would thousands of people use the restroom while consuming alcohol?

These are parks next to residential areas with limited space. I strongly urge you to oppose.

Thank you,
Justin Dechant

Martha Alvarez

From: Elizabeth Lynch <betsi.bell@gmail.com>
Sent: Monday, January 31, 2022 2:15 PM
To: List - City Council
Subject: [EXTERNAL] Highrose Apartment Building (Rosecrans & Highland)

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council Members-

We recently became aware of the proposed building plan for an apartment complex near Rosecrans & Highland. We are frustrated to learn Sacramento's laws are attempting to override what our city has deemed appropriate for our neighborhood. Our property located at 229 25th Place is very near to the location. I can assure you this intersection cannot handle additional traffic nor does it have parking to spare. To the extent you are able, we ask that you please push back against this project as well as any other project which is at variance with MB's building codes. Thank you for listening.

Elizabeth Lynch
Timothy Lynch

Martha Alvarez

From: Elizabeth Lynch <betsi.bell@gmail.com>
Sent: Monday, January 31, 2022 1:59 PM
To: List - City Council
Subject: [EXTERNAL] Mega Events at Bruce's Beach Park

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council Members-

We own the property located at 229 25th Place which is VERY NEAR Bruce's Beach Park. We are 100% OPPOSED to allowing any sort of "mega event" at the park. There is NO PARKING and traffic is already horrendous. Furthermore this type of event is very likely to elevate crime in the surrounding neighborhood. Please do NOT change the current policy. Thank you for listening.

Elizabeth Lynch
Timothy Lynch

Martha Alvarez

From: Christy Barnes <Christy@btglobal.net>
Sent: Monday, January 31, 2022 1:01 PM
To: List - City Council
Subject: [EXTERNAL] Re: Bruce's Beach - Events

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear City Council,

I am writing a follow-up email to my email previously sent.

Can you all please offer some insight on why we would consider opening up these spaces for event activities, with an attendee head count of up to 1,000? The more I considered this, the crazier it sounds...and wondering what the motive is to offer this and why did it get added to the agenda?

I am not aware of the 8th street park, but I frequently pass and visit Bruce's Beach. As far as facilities, there are only a few restroom stalls per gender (male and female) attached to the lifeguard stand, with the next restrooms 6 blocks away. The street on 26th is a major school thoroughfare for those residents that live in El Porto. There is a crossing guard there, because even now the traffic and drivers drive at high speed. The park is fully surrounded by residential homes, and I would hope before Bruce's Beach or any such space becomes available to "events," that any and all surrounded residents would be notified and able to give their feedback.

Any additional insight regarding the motive of this would be appreciated; especially since I live near a park that I would be devastated if it became an event hot spot.

I look forward to hearing back.

Regards,
Christy Barnes

From: Christy Barnes <Christy@btglobal.net>
Date: Monday, January 31, 2022 at 10:04 AM
To: "citycouncil@citymb.info" <citycouncil@citymb.info>
Subject: Bruce's Beach - Events

Dear City Council,

I understand that you will be discussing opening up Bruce's Beach as location that people are able to hold events up to 1,000 attendees. As a resident of Manhattan Beach, I am thoroughly against making Bruce's Beach an official "Event space." Already as it stands, during the summer months the parking at Bruce's Beach is overly crowded, tons of people, and traffic and parking is a huge issue. Cars will wait on the street, blocking traffic, for hours just waiting to find a parking spot. There will be an extreme negative impact on parking and traffic alone if allowing official events. The streets that are currently impacted during summer months, for simple beach goers, is the two-way street highland, 26th, 27th and ocean! Not only is the street blocked for regular traffic, I often see these cars blocking residents' homes/garages.

Furthermore, in recent months I have seen an increase in overflowing trash receptacles, non-compliance of the city's non-smoking policies (and limited enforcement at that) and noise complaints into the late hours of the night. Again, this is because of the regular and normal use of the city. Adding event space will simply add to these ever-growing issues.

Please keep Bruce's Beach as it is, and not allow this to be used for event space holding 1,000 attendees.

Thank you,

Christy Barnes
571 31st Street
Manhattan Beach

Martha Alvarez

From: James Harger <jamesnharger@gmail.com>
Sent: Monday, January 31, 2022 12:51 PM
To: List - City Council
Subject: [EXTERNAL] Special Events at our local parks

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I can't believe someone wants to change our policy and allow for large crowds at our neighborhood parks, including Bruce's Beach. Who thinks of these policy changes? Enough is enough!

So let's keep our policy of small gatherings only, especially at Bruce's Beach.

Thank you,

James Harger
Manhattan Beach resident for 63 years

Martha Alvarez

From: Judi Alves <judi.alves@gmail.com>
Sent: Monday, January 31, 2022 12:50 PM
To: City Clerk
Subject: [EXTERNAL] Special Events Policy

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Manhattan Beach City Council Members -

It has also come to my attention that you are considering updating the Special Events Policy to remove the restriction of special events at Bruce's Beach and a couple of parkettes.

Please do not change the policy. Our density is already much too great. This would negatively impact our small beach community.

Thank you for your consideration,

Judi Alves

Martha Alvarez

From: Judi Alves <judi.alves@gmail.com>
Sent: Monday, January 31, 2022 12:41 PM
To: List - City Council
Subject: [EXTERNAL] Highrose Development project

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear council members,

I just heard that a 79 unit, 4 story apartment complex, is slated for development at the intersection of Rosecrans and Highland.

Our beach community is already too crowded and adding to the density in the El Porto area would definitely be a travesty. That intersection is already too crowded; it's always backed up when I go north on Highland. Please, for the sake of MB residents, push back on the building of this project.

Thank you.

Judi Alves

Martha Alvarez

From: Ted lantuono <tiantuono@verizon.net>
Sent: Monday, January 31, 2022 12:16 PM
To: List - City Council
Cc: Teddy lantuono
Subject: [EXTERNAL] Highrose / Bruce's Beach Events

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Council Members:

I am writing to share my perspectives on 2 topics - the proposed development project on Rosecrans and Highland (Highrose) and the prospect of large scale events being held at Bruce's Beach.

Regarding Highrose, I am opposed to anyone in MB doing an end-around on our local zoning guidelines. Those guidelines are fundamental to protecting property values and the look and feel of our community. They are not perfect but they serve an important function. Every homeowner relies upon them when they purchase property in the area; My concern with the Highrose project is that the density will worsen traffic issues for any resident who passes through that area. The area already suffers from congestion and a lack of parking; this project would compound those problems. In addition to traffic issues, the project's inadequate parking will force the problem into neighboring areas, as these new residents (and their guests) will park and walk to make up for a lack of spaces at the Highrose development). I am also opposed to this project or any other being able to exceed the local height limits. Those limits are in place to protect real estate values of others, and to keep the charm of our community in tact. The traffic and parking issues I've noted become even more problematic as the building becomes taller. Also, If this project is allowed to go forward, it will serve as a template for others on how to circumvent a set of long standing zoning rules. Finally, cement and steel are one of the biggest contributors to CO2 emissions. Taller buildings mean more steel and cement, so this topic can also be considered an environmental concern with consequences that extend beyond the Manhattan Beach community. While we can't stop the rest of the world from moving towards vertical living in order to squeeze more value out of every buildable square foot of land, we don't need to break tradition (and current laws) to allow it to happen in Manhattan Beach.

As it relates to Bruce's Beach, I'm opposed to large gatherings of any sort in the area. This area also lacks parking, and it sits in an area that suffers from excessive traffic. There are other areas within the community that are better suited for people to peacefully gather in mass.

Thank you for your consideration.

Best, Ted

Ted lantuono
tiantuono@verizon.net
310-487-6665

Martha Alvarez

From: Julie Muer <j_muer@yahoo.com>
Sent: Monday, January 31, 2022 12:07 PM
To: List - City Council
Subject: [EXTERNAL] Mega Events

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Hello MB City Council...

Please vote NO on Mega Events (with or without alcohol) at Bruce's Beach due to all of the obvious reasons:

- Not enough parking (even for local residents).
- Already a very dense and crowded area and even more so during the summer -Disrupting and disturbing residents in the immediate and surrounding neighborhoods

Please vote NO!!

Thank you,

Julie Muer
MB resident and Home Owner for 25 years

Martha Alvarez

From: CityOfManhattanBeach@manhattanbeach.gov on behalf of City of Manhattan Beach
<CityOfManhattanBeach@manhattanbeach.gov>
Sent: Monday, January 31, 2022 11:32 AM
To: List - City Council
Subject: bubba@wckitto.com

Message submitted from the <City of Manhattan Beach> website.

Site Visitor Name: William Kitto
Site Visitor Email: bubba@wckitto.com

In regards to updating 13.22-0078: Who in their right mind would want to have larger functions at these small venues? More parking congestion, more trash, more noise, more drunks, more crime, more enforcement expenses. Why?



CITY OF MANHATTAN BEACH

CITY ENOTIFICATION

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CityofManhattanBeach@manhattanbeach.gov

CITY OF MANHATTAN BEACH 1400 Highland Avenue Manhattan Beach, CA 90266

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Martha Alvarez

From: Michelle and Neil Erickson <MandNErickson@msn.com>
Sent: Monday, January 31, 2022 11:15 AM
To: List - City Council
Subject: [EXTERNAL] Highrose Apartment Project

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Mayor and Council Members,

I am concerned about the potential problems with parking and traffic in the already congested North Manhattan and El Porto neighborhoods if the proposed Highrose Apartment project goes forward. I urge you to follow the usual City of MB planning process and building restrictions in consideration of this project.

In our town, I hope community development decisions will be made at the local level and not be subjected to the State Legislature and the Governor's new density laws which do not consider the environmental impact in our specific neighborhoods.

Thank you for your consideration.

Michelle Erickson

Martha Alvarez

From: Christy Miller <christymil@aol.com>
Sent: Monday, January 31, 2022 10:24 AM
To: List - City Council
Subject: [EXTERNAL] Mega events at Bruce's beach park NO

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

We are residents of Manhattan beach who live across the street from Bruce's Beach Park. My husband and I are against any mega events at Bruce's beach park. These past two years have seen a lot of visitors to the park. The noise, the illegal parking, loud music and trash has been escalating as the interest in the park has increased.

Thank you for your consideration

Christy and Doug Miller

229 27th st

Manhattan beach

Sent from my iPhone

Martha Alvarez

From: Joe Ferrell <joeferrell47@yahoo.com>
Sent: Monday, January 31, 2022 10:08 AM
To: List - City Council
Subject: [EXTERNAL] Input to council

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I've been a resident of MB for more than 60 years; it is disturbing to see what is happening to our wonderful town.

- 1) there should be NO "mega-events" allowed on the Bruce's Beach property.
- 2) we need a tough-on-crime police chief
- 3) it is mind-boggling that mayor Stern is at a "complete loss to understand the basis for" the resolution of no confidence in Gascon. There are reports practically every day of criminals being released and then committing a crime the next, or even the same day. She doesn't belong on the council if she is that out of touch with what is happening in LA County regarding crime and quality of life issues.

TJ Ferrell

Sent from my iPhone

Martha Alvarez

From: Hale <hboggs@gmail.com>
Sent: Monday, January 31, 2022 10:07 AM
To: List - City Council
Subject: [EXTERNAL] Highrose

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please push back on this. As a daily commuter from my house in downtown MB to Century City, I pass through this intersection twice a day. It's been a mess for years with various projects; I can't imagine having to now deal with MORE years of additional construction and then the added congestion of a large residential building at that site. Also, the project doesn't seem to fit the community, nor does it comply with our height restrictions. Because of MB's strict building requirements, I wasn't even allowed to make my balcony larger!!! Why is this ok?

TH Boggs
804 Manhattan Ave
Manhattan Beach, CA 90266

Martha Alvarez

From: Christy Barnes <Christy@btglobal.net>
Sent: Monday, January 31, 2022 10:05 AM
To: List - City Council
Subject: [EXTERNAL] Bruce's Beach - Events

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear City Council,

I understand that you will be discussing opening up Bruce's Beach as location that people are able to hold events up to 1,000 attendees. As a resident of Manhattan Beach, I am thoroughly against making Bruce's Beach an official "Event space." Already as it stands, during the summer months the parking at Bruce's Beach is overly crowded, tons of people, and traffic and parking is a huge issue. Cars will wait on the street, blocking traffic, for hours just waiting to find a parking spot. There will be an extreme negative impact on parking and traffic alone if allowing official events. The streets that are currently impacted during summer months, for simple beach goers, is the two-way street highland, 26th, 27th and ocean! Not only is the street blocked for regular traffic, I often see these cars blocking residents' homes/garages.

Furthermore, in recent months I have seen an increase in overflowing trash receptacles, non-compliance of the city's non-smoking policies (and limited enforcement at that) and noise complaints into the late hours of the night. Again, this is because of the regular and normal use of the city. Adding event space will simply add to these ever-growing issues.

Please keep Bruce's Beach as it is, and not allow this to be used for event space holding 1,000 attendees.

Thank you,

Christy Barnes
571 31st Street
Manhattan Beach

Martha Alvarez

From: RaShell LeMay <merelemay@yahoo.com>
Sent: Monday, January 31, 2022 9:51 AM
To: List - City Council
Subject: [EXTERNAL] Events

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear MB City Council Members,

It is my understanding that an agenda item for tomorrow's meeting will include "Events"; specifically allowing large events to take place at Bruce's Beach. While I live on the East side of town, I am aware of the traffic on a daily basis in that area, not to mention during the summer time when traffic is horrendous and parking at a premium. Allowing large events at Bruce's Beach would create a potential nightmare, more traffic with increased incidents of accidents including other cars and pedestrians, and noise levels that would take away from the serenity of that piece of property. Furthermore, to allow alcohol would create more trash, litter, and potential law suits to the city when an inebriated individual loses his/her footing on the sloped terrain and gets injured. Please reconsider using Live Oak Park for large events to include alcohol and increased traffic.

Thank you for your consideration in the matter!

RaShell LeMay

Martha Alvarez

From: Mike Curran <mcurran71@frontier.com>
Sent: Monday, January 31, 2022 9:44 AM
To: assemblymember.muratsuchi@assembly.ca.gov; senator.allen@senate.ca.gov
Cc: List - City Council
Subject: [EXTERNAL] Proposed Highland and Rosecrans 79 Unit Apartment Building.

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

There are a number of reasons why I am not in favor of AB 9, and endorse Redondo Beach's lawsuit against that bill. To keep it simple, under the new bill, the subject project is able to waive the usually required environmental impact report, an EIR that would discuss parking and traffic effects, among others, of the proposed project. Current public parking is problematic, limited to an existing undersized public parking structure, which would presumably be removed by the development of the proposed apartment building, and limited metered parking going up that northern side of Rosecrans Avenue. Once you make the right hand turn (north) off of Rosecrans onto Highland Avenue, traffic funnels down to one lane within a block or two, already creating a bottleneck. As an aside, do prospective tenants really want to live next to the registered Superfund site known as the Chevron refinery?

Thank you for your consideration,

Michael Curran
mcurran71@frontier.com

Martha Alvarez

From: David Lewis <dlewis@8020consulting.com>
Sent: Monday, January 31, 2022 9:44 AM
To: City Clerk
Subject: [EXTERNAL] Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I am writing to express my opposition to permitting public events at Bruce's Beach. This is a very densely populated residential area which has street parking issues already. The noise, congestion, and traffic disruption on a very busy street (highland) and a very QUIET Manhattan Avenue (North of Marine this street is extremely quiet. People who bought homes on the north side of Manhattan Beach are located here in part to get away from the noise and traffic of the Manhattan Pier area.

PLEASE PLEASE DO not pass this.



David Lewis
Chief Executive Officer
818-523-3201
dlewis@8020consulting.com
www.8020Consulting.com



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Martha Alvarez

From: Stacy Rusher <rusher429@verizon.net>
Sent: Monday, January 31, 2022 9:11 AM
To: List - City Council
Subject: [EXTERNAL] Proposed changes to Manhattan Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear City Council-

I am emailing you to let you know of my opposition to both the Highrose project and the change in a city ordinance, that would allow large groups, alcohol and amplification at Bruce's Beach.

I can list many reason why both of these changes will create serious problems, and a total change of landscape to the city, but no doubt you already know them, or have heard them from other residents.

While I am not opposed to change, these two items are terrible ideas, and will bring more problems, than they will create positive change.

Thank you for your time.

Stacy Rusher
Manhattan Beach

Martha Alvarez

From: Gary Henning <gthenning105@gmail.com>
Sent: Monday, January 31, 2022 8:43 AM
To: List - City Council
Subject: [EXTERNAL] Yes on Redondo Prosecutors!

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

We strongly recommend contracting with the City of Redondo Beach for prosecution of crimes within the City of Manhattan Beach.

The City of Manhattan Beach remains an attractive place to live, and our City Council and Police Department understand the increasing threats and the underlying causes and are acting accordingly.

By continuing with LA County DA, we are subjected to the efforts by some organized groups and individuals to alter the responsibilities of government to less significant social concerns.

Beth and Gary Henning
Manhattan Beach

Martha Alvarez

From: Lisa Ristani <lisaristani@yahoo.com>
Sent: Monday, January 31, 2022 8:43 AM
To: List - City Council
Subject: [EXTERNAL] Oppose - Mega Events @ Bruce's Beach / 8th Street & Larson Street Parks

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

MBCC

I oppose changing the city's special event policy to include Bruces Beach, 8th Street & Larson Street parks. I oppose large gathering in the middle of residential neighborhoods which results in more traffic, more parking issues, loud noise, potential for increased crime just to name a few.

Thank you
Lisa Ristani
MB resident 50+ years / homeowner

Martha Alvarez

From: Deny Sepaheer <deny@birchtreeprops.com>
Sent: Monday, January 31, 2022 8:42 AM
To: List - City Council
Subject: [EXTERNAL] FW: Hill Section Neighborhood Group

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Good morning city council,

I strongly support using the Redondo Prosecutors to charge crimes that occur in Manhattan Beach. As a Manhattan Beach resident, I and my fellow residents are tired dealing with the brazen criminal activity that occurs not only under the cover of dark but are now occurring in broad daylight. As a community, a message needs to be sent that criminal activity will result in consequences! It's time to enforce the laws that LA's District Attorney refuses to follow. It's a shame that residents need to ask for this. Thank you.

Deny Sepaheer

Principal | Birch Tree Properties LLC
310.607.9244 (work)
310.729.5005 (cell)

Martha Alvarez

From: Bruce Kuch <bpkuch@gmail.com>
Sent: Monday, January 31, 2022 8:37 AM
To: cathy koch; Terry Bavaro
Cc: List - City Council
Subject: [EXTERNAL] Manhattan Beach City Council: Opposition to HighRose Project at Verandas - Manhattan Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Neighbors:

We just signed the petition "Manhattan Beach City Council: Opposition to HighRose Project at Verandas - Manhattan Beach" and wanted to see if you could help by adding your name.

Our goal is to reach 5,000 signatures and we need more support. You can read more and sign the petition here:

[https://urldefense.com/v3/__https://chnng.it/S8c7QT9Jwk__;!!AxJhxnnVZ8w!fd54NxYrKgcWmZcFlvgVGDPuDc9u-duJXaJcpjDeZXfy7Tp-CCslcOZ6JXPPhJall9jTbw\\$](https://urldefense.com/v3/__https://chnng.it/S8c7QT9Jwk__;!!AxJhxnnVZ8w!fd54NxYrKgcWmZcFlvgVGDPuDc9u-duJXaJcpjDeZXfy7Tp-CCslcOZ6JXPPhJall9jTbw$)

Thanks!

Bruce & Pamela Kuch
714 519-5985

Martha Alvarez

From: Bruce Kuch <bpkuch@gmail.com>
Sent: Monday, January 31, 2022 8:25 AM
To: List - City Council
Subject: [EXTERNAL] Extension of Locations for Special Events

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Honorable Councilmembers:

Please do not approve the extension of special events to include 8th Street Parkette, Larson Parkette, and Bruce's Beach Parkette.

Impact to these residential areas would be detrimental and irreversible. Noise, alcohol, parking, inappropriate environment for our children are just a few of the reasons.

Thank you for your support.

Bruce & Pamela Kuch
35 yr residents 1440 8th St.
714 519-5985

Martha Alvarez

From: Kate Arrigoni <katearrigoni@me.com>
Sent: Monday, January 31, 2022 8:18 AM
To: List - City Council
Subject: [EXTERNAL] Please consider NOT allowing Bruces beach to become a party scene!

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Manhattan Beach already has a a severe enough parking situation. This proposal of allowing amplified music and alcohol service will only perpetuate this unfortunate situation. I believe the beach area should be shared by everyone, but unfortunately our infrastructure is intended of a small beach community. Yes, we are an inclusive community, but at a certain point it becomes unsafe for the community to get people of the magnitude safely in and out of the already congested area. This also goes for the proposed new housing development in North Manhattan. I've lived here 47 years, love my hometown, but it's charm is waining with all of these EQUITY decisions. My father worked his tail off for 42 years with the airlines to live here, bought in the early 60's, he would be so sad the charm is being destroyed. Please consider doing what's best for YOUR community!!!!

Sent from my iPhone

Martha Alvarez

From: Candis Duke <candisduke@icloud.com>
Sent: Sunday, January 30, 2022 7:06 PM
To: City Clerk; List - City Council; Bruce Moe; Richard Montgomery
Subject: [EXTERNAL] Bruces beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Hi

I am very concerned about making policy changes that would allow events or larger groups at the Bruces Beach park. We purchased here because it was a quiet & safe neighborhood.

We are already going to have

to deal with all of the additional traffic for the development on Rosecrans and Highland.

Who is the author/supporter of this change? It's important to disclose this to everyone so we can vote our Conscience.

Please do the right thing & keep our neighborhood a neighborhood.

Candis Duke

Sent from my iPhone

Martha Alvarez

From: Candis Duke <candisduke@icloud.com>
Sent: Sunday, January 30, 2022 7:06 PM
To: City Clerk; List - City Council; Bruce Moe; Richard Montgomery
Subject: [EXTERNAL] Bruces beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Hi

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We are already going to have

to deal with all of the additional traffic for the development on Rosecrans and Highland.

Who is the author/supporter of this change? It's important to disclose this to everyone so we can vote our Conscience.

Please do the right thing & keep our neighborhood a neighborhood.

Candis Duke

Sent from my iPhone

Martha Alvarez

From: Neil Leventhal <nl@lma-web.com>
Sent: Tuesday, February 1, 2022 4:52 PM
To: Hildy Stern; Steve Napolitano; Richard Montgomery; Suzanne Hadley; Joe Franklin; Carrie Tai, AICP; Ted Faturos; Bruce Moe; City Clerk
Subject: [EXTERNAL] Re: City Council Meeting February 1, 2022, Agenda item 16 - OPPOSE El Porto Development Plan

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Mayor Stern and Council,

I am writing to oppose the proposed high-rise project in El Porto.

Simple math indicates that the Affordable Housing benefits of the proposed development are almost non-existent, and not sustainable — six units addresses a tiny percentage of the requirements, which means it would have to be repeated dozens of times — but would eviscerate building height limits, leap frog appropriate CEQA considerations and set precedent in one quick step.

“Affordable housing” and “beach” are inherently in conflict, and the closer to the beach the greater the obstacles — solutions are much more likely, practical and on Aviation than on the Strand. Whatever the solutions may be — I’m not sure what solutions are, and I certainly am not familiar enough to suggest at this point — but this is clearly not one of them.

Thank you.

Neil Leventhal
NL@LMA-web.com

128 13th. St.
Manhattan Beach, CA 90266

Martha Alvarez

From: Diana Skaar <dianaskaar@gmail.com>
Sent: Tuesday, February 1, 2022 4:47 PM
To: List - City Council; City Clerk
Subject: [EXTERNAL] Ceremonial Presentations at City Council Meetings

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Hi City Councilmembers,

I can appreciate the hours you put into your service, both in preparing for the City Council meetings and in the actual time spent in the meetings. I want to thank you for that time commitment and your service.

I understand that some Councilmembers feel the Ceremonial presentations are taking up a lot of time, and so I see an agenda item to start the City Council meetings earlier.

I want to express that the Ceremonial and Kindness recognition agenda items are meaningful. It is a great way to learn about and celebrate the positives in our community. For example, I appreciated learning about "Regarding Her" and their focus on supporting female restaurateurs.

Starting earlier may be one solution but it would make it hard for working residents to attend at the beginning of the meeting. It is always tough to manage meeting agendas while allocating enough time for proper discussion. I would hope that the City Council looks at other meeting management options like judiciously deciding what needs to be discussed in public vs working out administrative details offline / with recorded minutes, if needed.

Please don't take away from the Ceremonial items. It is serving a useful purpose in celebrating the good and encouraging neighborly interactions.

Thank you,
Diana Skaar
MB Resident

Martha Alvarez

From: bklobner42 <bklobner42@gmail.com>
Sent: Tuesday, February 1, 2022 4:39 PM
To: City Clerk
Subject: [EXTERNAL] Bruce's Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I wish to register my opposition to allowing large group gathering at Bruce's Beach and to any alcohol there.
Bret Lobner

Sent from my Verizon, Samsung Galaxy smartphone

Martha Alvarez

From: debra consani <debraconsani@gmail.com>
Sent: Tuesday, February 1, 2022 4:32 PM
To: List - City Council
Subject: [EXTERNAL] Senate Bill 9

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I am stating my objection to Senate Bill 9 which allows for lots to be split to add more housing. Manhattan Beach is already crowded enough and that Bill would only create more congestion.

Thank you.
Debra Consani

Martha Alvarez

From: Barbara Johnson <bjtennisdog@verizon.net>
Sent: Sunday, January 30, 2022 7:39 AM
To: List - City Council
Subject: [EXTERNAL] Prosecution location -Change to Redondo Beach.

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I am writing this to let you know that I support our city council to choose prosecution services from Redondo Beach.

Thank you for caring for our City, your job is not easy.

Please protect us from real danger, our city police are doing their jobs, putting their lives on the line every day arresting persons who are believed to put us in danger .

When a person in custody goes to court everyone should expect a fair trial, allow a fair sentence by providing defense and prosecution of the offense.

Respectfully

Barbara G. Johnson

Martha Alvarez

From: Jim Hunter <jimhuntermb@gmail.com>
Sent: Friday, January 28, 2022 5:31 PM
To: List - City Council
Subject: [EXTERNAL] Redondo Prosecutors

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

My wife and I are strongly in favor of referring prosecution of minor crimes to the Redondo Beach Prosecutors in lieu of allowing our District Attorney in Los Angeles County to simply put them back on the street. We have great police who are serious about reducing crime in our city, only to hit a brick wall at the County level and morale has suffered. The Hill Section has had to hire our own security because home and vehicle break-ins are so rampant. My wife is afraid to walk into town after dark. Your passing this proposal will go a long way in showing the criminal element our town is serious. Thank you for your consideration.. Jim & Joanne Hunter, 801 Pacific Ave

Martha Alvarez

From: Chad Feilke <cfeilke@hotmail.com>
Sent: Friday, January 28, 2022 1:12 PM
To: List - City Council
Subject: [EXTERNAL] New proposal

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I strongly favor the proposal to contract with the City of Redondo Beach. I have personally experienced multiple threats against my family at my own house by career criminals and homeless. It's time to take these events serious and prosecute these criminals when they violate the law. Get rid of zero bail....these guys are out on the street in a matter of hours after they are arrested (most of these crimes are now considered misdemeanors, so they're just let go without being arrested.

Please save our city

Chad Feilke

Martha Alvarez

From: Luis Serrano <Luis@sunshineret.com>
Sent: Friday, January 28, 2022 12:50 PM
To: List - City Council
Subject: [EXTERNAL] Vote to prosecute criminals/crimes through the Redondo Beach District Attorney

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please vote to prosecute criminals/crimes through the Redondo Beach District Attorney. Our City is not receiving the appropriate support by leftist extremist DA Gascon. This is an important issue for our community.

Thank you.

Luis Serrano
901 Pacific Avenue
Manhattan Beach, CA 90266

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Martha Alvarez

From: Cynthia Clarke <cynthiawclarke@gmail.com>
Sent: Friday, January 28, 2022 10:09 AM
To: List - City Council
Subject: [EXTERNAL] Ceremonial Calendar

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

To: Honorable Mayor & City Council Members

Thank you so much for the continued effort and focus on our amazing city.

I am writing in favor of keeping the Ceremonial Calendar during the main and public city council meeting. I love that each Mayor generally picks a different topic to highlight and I learn so much about a variety of efforts and people in our community to celebrate. It feels wonderful to start off the meeting in such a positive way.

I am in support of keeping the Ceremonial Calendar to a time limit if that makes sense. It's a great uplifting start to the meeting, which then often turns into a very frustrating round of public comments. There's often so much negativity in public comments (especially when those with strong opinions on either side are often the ones that speak loudly). My real preference would be to pre-screen/limit public comments to a maximum time, but I know that's likely not possible.

I appreciate your time,
Cynthia Clarke

Martha Alvarez

From: debra consani <debraconsani@gmail.com>
Sent: Tuesday, February 1, 2022 4:29 PM
To: List - City Council
Subject: [EXTERNAL] Highrose apartment Complex

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

I want to register my vote NOT to build this Complex. It will create more congestions on Rosecrans and Highland which is already a problem. Also, the fac that it can go through approvals without Environmental review is a huge concern as well.

Thank you.

Debra Consani

Martha Alvarez

From: Neil Leventhal <nl@lma-web.com>
Sent: Tuesday, February 1, 2022 4:20 PM
To: Neil Leventhal
Cc: Hildy Stern; Steve Napolitano; Richard Montgomery; Suzanne Hadley; Joe Franklin; Carrie Tai, AICP; Erik Zandvliet; Bruce Moe; City Clerk
Subject: [EXTERNAL] City Council Meeting February 1, 2022, Agenda item 18 - OPPOSE acceleration to Work Plan Priority Category A

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Mayor Stern and Council,

I am writing to reiterate opposition to the proposed escalation of the Long-Term Outdoor Dining and Business Use Work Plan Item as outlined previously.

The complexity, impact, costs and resources involved are self-evident, and the urgency almost entirely manufactured. Please address this critically important issue with the thorough, informed and considered process it demands.

Thank you.

Neil Leventhal
NL@LMA-web.com

128 13th. St.
Manhattan Beach, CA 90266

On Jan 18, 2022, at 4:48 PM, Neil Leventhal wrote:

Dear Mayor Stern and Council,

I'm writing to oppose the acceleration of Long Term Outdoor Dining and Business Uses In the public right of way and private property issue in the 2022 Work Plan from Category B to a category A issue.

The plans that will be defined by the Outdoor Dining project are likely to have the most profound impact on Downtown Manhattan Beach, and, by extension, the entire character of Manhattan Beach, of any action in the last few decades, defining not only how those activities are implemented, but potentially redirecting the entire focus of the city as a whole to a visitor destination, rather than a residential community. Such momentous changes, coupled with the dramatic issues of infrastructure, safety and policing, demand a thorough, comprehensive and deliberate process — not a headlong rush into a pre-determined conclusion.

All of the stakeholders — including residents and non-restaurant businesses deserve the time, information and process to fully consider and reflect on the options, implications and inherent consequences of every aspect of this initiative.

To elevate the self-imposed urgency of “blissful” outdoor dining with the required Category A

Work Plan status of the affordable housing issue is absurd, made even more so with the extraordinary demands on City leadership, staff and stakeholders.

Given the enormous costs and resources the City has extended to support and subsidize the restaurants to date, coupled with lost revenue, the idea that the City should spend precious taxpayer funds for outside consultants or additional staff to accelerate this process is difficult to even comprehend.

Please put an end to this frenzy of false, self-motivated urgency. Outdoor Dining is an important issue for everyone, but not an urgent one. This is an important issue— let's treat it that way.

Neil Leventhal

NL@LMA-web.com

128 13th. St.
Manhattan Beach, CA 90266

Martha Alvarez

From: Gary McAulay <gary.mcaulay@gmail.com>
Sent: Tuesday, February 1, 2022 4:04 PM
To: List - City Council; City Manager
Subject: [EXTERNAL] Fwd: 22-0057 street dining

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Apologies for the repeat but just ensuring that my message from two weeks ago is considered in this continued item.

Council –

When street dining was approved, it was an emergency measure to keep people employed, businesses open, and a viable option to eat at a restaurant in the midst of a pandemic. While omicron has caused renewed concerns, it is absolutely a temporary condition, which will end, and the emergency ordinances were not intended (I was assured) to be the wedge for permanent changes downtown.

It was so transparent and predictable. Restaurants don't want to give up their expanded restaurants, occupying public space for a nominal fee. The City sees another income stream through sales tax. Everybody makes more money, and all we have to do is give away more public space for commercial development. And spend significant City funds on studies, consultants, staff time, etc., to make it happen.

Downtown MB has turned into an oversized food court. Walking down the sidewalk is literally a walk *through* one restaurant after another. One cannot even see the other side of the street because of platforms, tables, diners, umbrellas, and heaters. The crowds become insufferable and walking space shrinks. Parking is made more scarce, lanes are narrowed. It is still, marginally, a downtown, and one cannot always conduct business on foot or on e-bike. Driving is often necessary, but it is heavily impacted by the increased usage density.

Outdoor dining is lovely, but it is not the end goal of a downtown district. Creating street dining by taking precious public space to enlarge restaurants should not be forced on the community via a public health emergency. If a business owner thinks that a patio would enhance their restaurant, there are options – yes, that would require their investment, beyond the gift of public space for their business. However, it isn't an entitlement. Pre-pandemic, the restaurants were thriving just fine within the limits of their property.

We are on our way to becoming Santa Monica or the Hermosa pier promenade. Our downtown is small, and there are other businesses besides the restaurants. When the restaurants take over the streets and sidewalks, there is no more reason to go downtown except to dine out, and maybe not even for that.

Gary D. McAulay

Martha Alvarez

From: coastaldefendermb@gmail.com
Sent: Tuesday, February 1, 2022 3:58 PM
To: Hildy Stern; Joe Franklin; List - City Council; Richard Montgomery; Steve Napolitano; Suzanne Hadley
Cc: Bruce Moe; Quinn Barrow; Paige Meyer; Liza Tamura; Martha Alvarez; Ted Faturos
Subject: [EXTERNAL] Downgrade Eat & Drink Encroachments to Category C
Attachments: 220201-McP-CC-Testimony-EncroachmentPriority.pdf

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please find my testimony attached on Item #18 for tonight, DBA request for Category A eat and drink encroachments. The facts demand Category C.

Don McPherson
1014 1st St, Manhattan Beach CA 90266
Cell 310 487 0383
dmcphersonla@gmail.com

From: coastaldefendermb@gmail.com <coastaldefendermb@gmail.com>
Sent: Tuesday, 1 February, 2022 14:06
To: 'Hildy Stern' <hstern@citymb.info>; 'Joe Franklin' <jfranklin@citymb.info>; 'MB Council' <citycouncil@citymb.info>; 'Richard Montgomery' <rmontgomery@citymb.info>; 'Steve Napolitano' <snapolitano@citymb.info>; 'Suzanne Hadley' <shadley@citymb.info>
Cc: 'Bruce Moe' <bmoe@citymb.info>; 'Quinn Barrow' <qbarrow@citymb.info>; 'Paige Meyer' <pmeyer@manhattanbeach.gov>; 'Liza Tamura' <LTamura@citymb.info>; 'Martha Alvarez' <malvarez@citymb.info>; 'Ted Faturos' <tfaturos@citymb.info>
Subject: RE: : Solution to HEU Affordable Housing

Please find attached my testimony for the Housing Element Upgrade item tonight.

Don McPherson
1014 1st St, Manhattan Beach CA 90266
Cell 310 487 0383 coastaldefendermb@gmail.com

From: coastaldefendermb@gmail.com <coastaldefendermb@gmail.com>
Sent: Monday, 31 January, 2022 21:31
To: Hildy Stern <hstern@citymb.info>; Joe Franklin <jfranklin@citymb.info>; MB Council <citycouncil@citymb.info>; Richard Montgomery <rmontgomery@citymb.info>; Steve Napolitano <snapolitano@citymb.info>; Suzanne Hadley <shadley@citymb.info>
Cc: Bruce Moe <bmoe@citymb.info>; Quinn Barrow <qbarrow@citymb.info>; Paige Meyer <pmeyer@manhattanbeach.gov>; Liza Tamura <LTamura@citymb.info>; Martha Alvarez <malvarez@citymb.info>; Ted Faturos <tfaturos@citymb.info>
Subject: : Solution to HEU Affordable Housing

1 February 2022

Hildy Stern, Mayor
City of Manhattan Beach

Via Email: citycouncil@citymb.info

Subject: Solution to HEU Affordable Housing

Mayor Stern and Councilmembers.

The attachment summarizes a solution for the city to provide the 407-unit shortfall in affordable housing by 2029, in compliance with both CEQA and the zoning code. No bonus-density waivers needed for this version of the Housing Element Update ["HEU"]

Starting with the Highrose project at Rosecrans and Highland, the city can purchase the property and lease it to developers for construction and operation of 100% affordable housing. That way, the public-housing operation remains in the private sector. The city, however, will have landlord authority to ensure compatibility with law, specifically, the General Plan, the Local Coastal Program and the General Plan. Same as they do for Metlox.

The city will have total control, rather than the developers, with their unending demands for financial incentives.

The city will need only five such 100% affordable projects to meet the 407-unit quota. In contrast, to provide that many units, the current HEU will require 68 projects the size and 50-foot height of Highrose, considering its meager six affordable units.

The costs easily managed. Based on a professional appraisal for a coastal property almost identical to Highrose, the city can finance the five acquisitions with a piddly increase in property taxes, amounting to \$376-\$522 per year per each taxpayer, for interest rates 4%-7%.

To ensure the purchases, the city could pay twice the appraised value, upon which the above property-tax increases based.

If an owner refuses to sell for twice the property value, the city can then exert its power of eminent domain to acquire the property at that price. That an incredible negotiating tool.

The attachment also establishes that the environmental impact report for the HEU blatantly violates CEQA. Consequently, the HEU invalid, as it stands. The solution outlined above eliminates the CEQA violations.

I request that the city council directs staff to pursue the above 100% affordability solution in the HEU. Otherwise, as is, it will start dead on arrival, as have all in California cities during past decades.

Thanks for considering this solution to the affordable housing enigma,

Don McPherson, President

Coastal Defender

1014 1st St, Manhattan Beach CA 90266

Cell: 310 487 0383

coastaldefendermb@gmail.com

CITY COUNCIL TESTIMONY: EAT & DRINK ENCROACHMENTS, 1 FEBRUARY 2022

Don McPherson, 1014 1st St.

The Downtown Business Association campaigns to have their unlawful eat and drink encroachments in the streets and on the sidewalks upgraded to a Priority A item in the council workplan.

The city has only one Priority A workplan item, namely, revising the Housing Element in the General Plan to conform with state regulations on affordable housing. MB has not complied with its required quota for affordable housing in decades. Based on my experience with the City of Encinitas, neither have they. Presumably, the problem endemic for California local governments.

As result of affordable housing being stalled, the state has approved draconian measures that target single-family zoning. The city needs to focus its resources on this critical problem to forestall Sacramento from taking over our zoning code.

To equate the DBA campaign for eat & drink encroachments as equal priority with affordable housing is both ludicrous and childish.

In the workplan, the council should downgrade eat and drink encroachments to Category C.

Martha Alvarez

From: Martha Alvarez
Sent: Tuesday, February 1, 2022 3:57 PM
To: City Clerk
Subject: FW: [EXTERNAL] Fwd: The latest email from Bruce's Beach Get the Facts



MARTHA ALVAREZ

ASSISTANT CITY CLERK

(310) 802-5059
malvarez@manhattanbeach.gov

CITY OF MANHATTAN BEACH 1400 Highland Avenue Manhattan Beach, CA 90266
Office Hours: M-Th 8:00 AM-5:00 PM | Fridays 8:00 AM-4:00 PM | Not Applicable to Public Safety
Reach Manhattan Beach Here for you 24/7, use our click and fix it app
Download the mobile app now



----- Forwarded message -----

From: Kristin Long <klongs@gmail.com>
Date: Tue, Feb 1, 2022 at 2:09 PM
Subject: The latest email from Bruce's Beach Get the Facts
To: Bruce's Beach: Get The Facts <brucebeachgetthefacts@gmail.com>
Cc: Joe Franklin <jfranklin@manhattanbeach.gov>, Hildy Stern <hstern@manhattanbeach.gov>, Richard Montgomery <rmontgomery@manhattanbeach.gov>, <shadley@manhattanbeach.gov>, Steve Napolitano <snapolitano@manhattanbeach.gov>

Hello.

There are a number of inaccuracies in the latest "Bruce's Beach Get the Facts" email that I would like to correct -- especially to our Councilmembers -- and also to make a part of the public record.

The history report does not lack context: we provided basic contextual history to explain that during the time of the condemnation, it was commonplace throughout the United States to segregate communities and that such actions were ruled acceptable by the Supreme Court.

There is no evidence to show that Manhattan Beach "welcomed black property ownership." Just because it was allowed, does not mean it was welcomed. Black people were indeed allowed to purchase property elsewhere along the beach, for example in Playa Del Rey, as noted in the article from the Liberator on [pages 1-3 in the document I sent once before.](#)

We have provided numerous examples of racist intentions by the Board of Trustees at the time of the condemnation, to reiterate them:

- A personal essay with a direct quote from Frank Daugherty who was a member of the Board of Trustees in 1923 when the city received and filed the petition from local residents seeking to condemn Blocks 5 and 12. He was also the Trustee who introduced the Ordinance to pursue condemnation.
- Two newspaper articles that refer to Black people as "undesirables". One from the Los Angeles Times and the other from the Manhattan Beach News.

- The Manhattan Beach News piece from April 11, 1924, discusses Peck's Pavilion, which was located right in front of the Bruces' property and was the Red Car stop for those who took the train from downtown LA to Manhattan Beach, until 1924, when it was torn down. It says the Pavilion was "one of the land-marks of Manhattan Beach and its passing will not be mourned by anyone as it has been used as a meeting place of many un-desirables on the beach."

- The Times article from May 21, 1927, discusses the City's leasing of the beach to Oscar Bessonette, which was after the Bruces' had closed.

The plan will not affect the use of the beach, according to the lease, and the beach is to be kept clean by the lessee. It is believed that the plan will also be an aid in keeping out the undesirable visitor.

The first article appeared before the Bruces' relinquished their property, while the second was about a week after they sent their letter to the City -- albeit a month before their buildings were torn down. Both articles have been sent to you before, but maybe you didn't have time to read them. They are available [here](#).

- The article from the Manhattan Beach Globe, also in [this link](#) on pages 15 and 16, where another citizen chastises the Board of Trustees for spending taxpayer funds "to get the colored people out."
- There are also the first-person interviews that Robert L. Brigham conducted with George Lindsey, the man who proclaimed to spearhead the condemnation efforts.

The entire case was adjudicated by the Los Angeles Superior Court, who accepted the Report of Referees. The property owners did not contest it. We reported what everyone was paid, although at the time of our report, we only had the amount that Bruces requested because it was all we had been able to obtain.

We never made claims in the history report that the Bruces did not receive fair compensation. Here's the link to the [final history report](#) if you'd like to check.

The two main conclusions that you assume the county will make with regard to what language will be on the plaque are assumptions, not facts. And I'm telling you that your assumption is false. Please stop spreading false information to your readership.

Respectfully,
Kristin Long

From: Bruce's Beach Get the Facts <brucebeachgetthefacts@gmail.com>
Date: January 31, 2022 at 6:41:33 PM PST
To: "Bruce's Beach: Get The Facts" <brucebeachgetthefacts@gmail.com>
Subject: Janice Hahn wants to write a Bruce's Beach Plaque

Janice Hahn and members of the History Advisory Board (many are current members of MBUnited) are proposing THEY will write their version of our city history on a plaque and erect it at the Lifeguard Hdqtrs located on the strand below Bruce's Beach.

City Council must protect our city from Reparation opportunists looking to rewrite our city history for political gain.

- **Make a Public Comment during the City Council meeting on Tuesday, February 1. The meeting begins at 6:00 Zoom Link Here**
- **Or write City Council an email with your opinion.**
citycouncil@citymb.info

[Janice Hahn Seeks to Use Bruce's Beach to Further Governor Newsom's Statewide Reparations Agenda](#)

Janice Hahn and other far leftists from Los Angeles County are coordinating with former members of the History Advisory Board and Bruce's Beach Task Force (many are founders of the local far-left group MBUnited), to write the language written on permanent plaques to be erected near the lifeguard station at Bruce's Beach. Council Agenda Item #24 this Tuesday considers a request to "Discuss Continuing the Placement of Plaques at Bruce's Beach".

A motion prepared by L.A. County Supervisor Janice Hahn dated 12/7/21 is being discussed at the council meeting. If approved, this would allow City Council to shift their authority and responsibility to the County for proclaiming the MB official history of the eminent domain decision by our City in the 1920s that affected Bruce's Beach and several other properties at this location.

Janice Hahn, working in concert with BLM activist Kavon Ward, has been pushing the erroneous Bruce Family "takings" story as the premier event by which Governor Newsom can justify his California Reparations initiative to "sweep across the nation," per Newsom.

Councilmembers Hildy Stern and Steve Napolitano have demonstrated a strong willingness to help Hahn with this effort since August 2020, including acting as co-chairs of the Bruce's Beach Task Force, established for the sole purpose of researching and writing an accurate account of the facts surrounding Bruce's Beach and the Bruce family.

Residents following the Task Force's reporting, under the supervision of Stern and Napolitano, know their history report lacks context by failing to report MB was one of the few cities along the beach that was not segregated and welcomed black property ownership, states unproven accusations of racism by then Council, and claims falsities that the payout was not "fair" when in fact the Bruce's received well over market value for their business and property in the Eminent Domain decision as did many other affected property owners. To Reparationists looking for a political win, these are simply inconvenient truths they are willing to ignore. City Council must protect our city from these opportunists and vote no on Hahn's motion.

Lest we forget Stern and Napolitano further embedded themselves with Janice Hahn when they conducted an aggressive campaign for the City to issue an apology drafted by Napolitano and for the Task Force to become a permanent entity in the city as a *Diversity, Equity, Inclusion Committee*, acting as a Compliance Auditor to rule over City Hall and Police Department. The Task Force, along with their co-chairs, argued a DEIC was needed "to fight present-day racism" in MB. Residents responded with hundreds of emails to council imploring they dismiss the Task Force immediately. The Task Force was dismissed with a vote of 4-1. Yes, even Napolitano heeded the majority voice of the residents.

[If Stern and Napolitano collaborate again and vote yes on the Hahn motion, will they get a "3rd vote" from Hadley, Montgomery, or Franklin to pull off this stunt?](#)

- **A yes vote puts the city at risk:** While writing their history report, the History Advisory Board collaborated heavily on an unauthorized basis with Dwayne Shepherd, spokesman

for the Bruce Family. Shepherd has vowed on many public occasions to sue the City of MB on behalf of the Bruce Family for unrealized past and future revenue from Bruce's Beach, and to seek damages for racial discrimination, "even if we get our land back." These are the locals that will be collaborating with Hahn for language on a plaque that serves all of their interests.

- **The two main conclusions that the County will no doubt require to appear on the plaque(s) to support the reparations narrative are not valid, accurate, or factual, as follows:**
 1. *"The Bruce's did not receive fair compensation for their land, building, and business."* All evidence, including court documents, supports an undeniable truth that the Bruce's received compensation that exceeded fair market value at the time. The previous language proposed by the History Advisory Board attempted to deceive readers by only stating, in essence, that "the Bruce's asked for \$70,000 for their property and the Court only paid the Bruce's \$14,500."
 2. *"One member of the Board of Trustees at the time admitted their action was racially motivated."* The only evidence the History Report used to "prove" the City was guilty of racial discrimination was a statement, made by ex-Trustee Frank Daugherty during a speech he gave *19 years after the event*, which was not supported by a second source. Because his statements were not made during an interview, nor under oath, and were not supported by a second source means his statements are "hearsay" by definition. Professional historical standards require that any conclusions based on a statement made by one person and not corroborated by a second source should be considered "tentative," and not provably reliable. Therefore, his statement should not be used as sufficient evidence to justify paying millions of dollars in reparations to descendants of Willa and Charles Bruce.

If Council votes Hahn's motion down, will they then hire a professional firm to write our city history and plaques, as hundreds of other municipalities across the county have done? If not, why not?

No one on city council is a qualified professional historian, or has the experience of professionals at a Historical firm.

Expecting the Councilmember(s) to act as our city's professional historian is likened to expecting them to act as our city's CPA.

Ridiculous and irresponsible.

See the client list of History Associates with offices around the country:

<https://www.historyassociates.com/clients/#roster>

They are considered by many to be the Price Waterhouse of the profession.

Conclusion:

CITY COUNCIL MUST INTERVENE AND NOT ALLOW THOSE WITH AN AGENDA TO THROW OUR CITY UNDER THE BUS IN ORDER TO SPUR A REPARATIONS MOVEMENT.

This motion by Hahn is precisely the reason our City history must be researched and written by a professional firm, retained solely by our City Council.

Contact City Council at the options above to voice your opinion!

Forward our email to others.

~Bruce'sBeachGetTheFacts

We are a Network of many like-minded MB residents.

To unsubscribe, please send us an email.

Martha Alvarez

From: Pamela Davidson <davidson777@frontier.com>
Sent: Tuesday, February 1, 2022 3:55 PM
To: Suzanne Hadley; Joe Franklin; Richard Montgomery; Steve Napolitano; Hildy Stern; City Clerk
Subject: [EXTERNAL] OPPOSITION TO "HIGHROSE APARTMENT PROJECT"

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear Honorable City Council Members:

Now more than any time, we need leadership in this City!
We need big, bold, and courageous actions from you!
And your community will strongly stand behind you and our City government!

The developer of the Highrose project must respect and follow our MB city building restrictions and planning process, and not take advantage of the Sacramento density laws that are a cash cow for the developer but catastrophically destructive to our community.

Cities have a right to determine what is best for their own city and we must stand up to this overreach by Sacramento.

For these reasons and more, community development decisions MUST be made at the local level and the city and residents have a right to push back on this overreach by the state and the developer.

LMK what I can do to support our community and the city council on this issue!
Sincerely, Pamela Davidson

Martha Alvarez

From: Anthony A. Lee <member1700@gmail.com>
Sent: Tuesday, February 1, 2022 3:48 PM
To: List - City Council
Subject: [EXTERNAL] Black History Month, Prroposed City Proclamation

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Honorable Mayor and Respected Council Members:

Today is the first day of Black History Month in the United States. Manhattan Beach is, of course, the location of an important episode of African American history at Bruce's Beach. The city is now quite famous for the events at Bruce's Beach that took place 100 years ago.

Therefore, I propose that the City Council make a proclamation of Black History Month in Manhattan Beach that will make reference to Bruce's Beach. The Proclamation would be only symbolic, naturally. But it would contribute to an atmosphere of openness, tolerance, truthfulness,, and goodwill in the city.

At the same time, I urge the City Council to adopt procedures that will allow important events in African American history to be observed at Bruce's Beach going forward. These would include such observances as Martin Luther King Day and Juneteenth, our new national holiday. Bruce's Beach Park will be the site of other events, of course-- and especially exhibitions, displays, and performances of African American arts and culture.

I am remiss in not making these proposals weeks ago. But I am sure that the City Council can act quickly on these matters.

With warn regards,
Anthony A. Lee, Ph.D.

Martha Alvarez

From: Astrid Gronwold <agronwoldmb@yahoo.com>
Sent: Tuesday, February 1, 2022 3:41 PM
To: List - City Council
Subject: [EXTERNAL] Janice Hahn

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Please do not allow Janice Hahn to do any more harm to our city. Enough is enough!

Astrid Gronwold

Martha Alvarez

From: MIKE WELSH <aewelsh@aol.com>
Sent: Tuesday, February 1, 2022 3:04 PM
To: List - City Council
Subject: [EXTERNAL] Bruce's beach plaque

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Dear city council members,

I can not tell you who the right people are to write the verbiage for the Bruce's beach plaque... whether it is best to have those of you on the city council or hire an outside historical team to write it is up for debate... I can however tell you who the wrong person is to author the plaque. We know for sure if it is turned over to Janice Hahn to handle the wording of the plaque that it will not have any basis in reality. It will cater to the worst possible rumors about what happened to the Bruce family. We can not leave something so important to the city's reputation to people who clearly have no interest in what actually happened but are more interested in perpetuating the false narrative that Manhattan Beach was and is a racist community. Citizens such as myself in Manhattan Beach are interested in getting the truth out there... It still seems there is much confusion as to what did and did not happen 100 years ago. To put something out there that was not accurate would be a travesty. Words matter.... The words on that plaque will matter greatly. This movement about everything being seen thru the lens of racism must be stopped.

Thanks for your attention to this matter

Mike Welsh
MB resident

Martha Alvarez

From: Martha Andreani <mandreani09@gmail.com>
Sent: Tuesday, February 1, 2022 2:51 PM
To: City Clerk
Subject: [EXTERNAL] City Council Meeting February 1, 2022 -- Agenda Item #18

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

For distribution to City Council, City Manager, Director of Community Development: February 1, 2022 City Council Meeting Agenda Item #18

Review of the Community Development Department Work Plan and Priority for the Long-Term Outdoor Dining and Business Use Work Plan Item

No change to the Work Plan.

Keep on eye on the plan to remove all dining decks on or before March 31, clean the streets, bring back the parking spaces that have been taken away from residents, other businesses, and visitors.

You know why.

Sincerely,
Martha Andreani
Resident of Downtown

Martha Alvarez

From: Cimmarusti Holdings <CimmarustiHoldings@outlook.com>
Sent: Tuesday, February 1, 2022 2:51 PM
To: City Clerk
Subject: [EXTERNAL]

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Sent from [Mail](#) for Windows

I live on the strand in Manhattan Beach, I need to say their were a few large events this past summer on Bruces Beach and Janet Hahn and her staff all attended after these events we get people that decide to hang out, yes It's the beach I heard my front door open I went downstairs of our home and man came from the park drunk and used our bathroom walked right into our house with our grandchildren around used the toilet and walked out, this is not uncommon and can you imagine when the city will allow large events and liquor also it still gets brought to the beach buried in the sand not to be found, yes we live in a beautiful place but with that beauty we do pay the price, so letting the city know to check out the police reports to see what goes on in our neighborhood, keep it a safe place for people use as a safe family place. Sincerely Larry C .

Martha Alvarez

From: Martha Andreani <mandreani09@gmail.com>
Sent: Tuesday, February 1, 2022 2:35 PM
To: City Clerk
Subject: [EXTERNAL] City Council Meeting of February 1, 2022 -- Agenda Item 16

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

For distribution to City Council, City Manager, Director of Community Development: February 1, 2022 City Council Meeting Agenda Item #16

Consideration of the 6th Cycle Housing Element Update (HEU) and Associated Initial Study/Negative Declaration

Dear Mayor Stern and Councilmembers:

For many years, the City has spent public funds to hire consultants to help us sweep the matter of "affordable housing" under the rug. It seems that many other cities have done the same, thus forcing the state to come up with mandates to require cities to build affordable housing units. I have always thought that providing "affordable housing" would help preserve the small-town ambiance and character we have continually sought as our city has thrived, the cost of housing has boomed, families who can afford the cost of housing have come in, and businesses who want to capitalize on the thriving economy have come, too. When I was growing up here in Manhattan Beach, we would see school teachers, school bus drivers, police and firefighters -- who lived here -- walking on the streets of Downtown. We began losing our "small-town charm" because most of those folks could no longer afford to buy or rent here anymore.

I don't have an idea of how to fix the situation, but I believe the idea of affordable housing needs thoughtful consideration -- and implementation. For starters, the intersection of Highland and Rosecrans is all wrong. And a building height limit of 50 feet is all wrong. You do know the density that is already there, don't you? It's very close to the Chevron Refinery. Although extremely well run with safety in mind, what if an evacuation were necessary? It would be problematic now; it would be catastrophic if housing were made even more dense. Considering real estate values, it's probably a bit ludicrous to think that we can have "affordable housing" west of Sepulveda.

Help residents understand "affordable housing". Not just how many "units" do we need, but what does that mean in today's and future dollars in terms of rental prices? Typically, the housing market booms because housing developers see profit margins for themselves; what incentives can we provide, if some form of altruism isn't part of the equation? Density is a tricky topic, too. I'm in one unit of three on a 30' x 90' lot; do we want to double (or more) that density? A squeeze may provide more housing, but it would diminish quality of life here in our beach community, too.

Good luck! I hope there are city planners (look far and wide) who have some ideas. And I hope we will come up with some good ideas, as well as a plan for implementation, so we don't have unacceptable or impossible goals forced upon us.

Martha Andreani
Resident of the Downtown

Martha Alvarez

From: Cimmarusti Holdings <CimmarustiHoldings@outlook.com>
Sent: Tuesday, February 1, 2022 2:30 PM
To: List - City Council
Subject: [EXTERNAL] Bruces Beach Manhattan Beach

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

Sent from [Mail](#) for Windows

We don't feel we need another monument sign when we have one on the very top of the hill which it totally dedicated to Bruces Beach, their people in the community that have donated so much money and lost children the Bruces lost no o and we dedicate monument signs, I'm not against them getting money if the state wants to pay them more power to them, but why signs on top of receiving money, I do know their our attorney's in our city working very hard to find other families that are apart of this and they need to be part of the funds and signs and fair is fair Janet Hahn should not worry about one family she needs to get all the families and group together.