

November 16, 2011

Mr. Pete Zak
Vice President, Development
Lyon Capital Ventures
4901 Birch Street
Newport Beach, CA 92660

Subject: Second + PCH Development Traffic Study, Long Beach, California

Dear Pete:

Pursuant to your request we have reviewed the Revised Traffic Impact Analysis conducted by Linscott Law & Greenspan for Second + PCH Development in Long Beach, California (Update of April 19, 2010 Report). Based on our review we offer the following comments:

Scope of Work

When a project is anticipated to have impacts outside the local jurisdiction, it is customary to develop a scope of work for the traffic study and circulate the scope to the impacted agencies for review and comment. This process will ensure that the study complies with other jurisdictions' procedures and performance criteria. It does not appear that such a cooperative effort was made for conducting this study which impacts facilities in Seal Beach and facilities under the jurisdiction of Caltrans and is subject to the County of Los Angeles Congestion Management Program requirements. In fact, Caltrans has stated that "The Revised Traffic Study is incomplete."

Traffic Impact Study Area

The Traffic Study analyzes the potential impacts of the project on 25 intersections. However, it is not stated what criteria was used to identify these intersections. The study area is inadequate since based on the project distribution plots shown on Figures 5-1 thru 5-3 significant percentage of the proposed project trips travel beyond the limits of the study area. The study area boundary should be expanded to where project trips become insignificant.

Project Trip Generation

The project trip generation as shown on Table 5-2 of the report has been reduced for consideration of Internal Capture, Pass-by Traffic and Travel Demand Management. While the internal trip capture reduction is reasonable to assume, the Pass-by traffic reduction should at best be only applicable to certain driveways. Also, and the percentages applied in

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the report are too excessive for the type of retail development proposed for the site and since the proposed project would not be easily accessible given the existing and projected level of service at adjacent intersections and along the frontage roadways.

Furthermore, to apply a trip generation reduction in anticipation of unproven future TDM programs is totally unreasonable and speculative, especially for the type of land uses proposed on site. Therefore, the project impacts as analyzed in the report are understated due to the level of reductions applied to the site trip generation.

Trip Distribution

The project trip distribution (as shown on Figures 5-1 to 5-3) and corresponding assignment to the roadway system is not based on any documented data or regional modeling patterns. The assumed travel patterns are arbitrary and therefore the true project impacts may have not been analyzed in the report.

Analysis Network

The network analysis included in the Traffic Study is limited to the identified intersections only. Roadway links, freeway ramps, and freeway mainline segments have not been analyzed in the study. This is a significant deficiency since many roadway segments in the study area have less lanes and capacity in mid block sections than at the intersection approaches. Furthermore, project impacts on freeway ramps and freeway mainline segments must be analyzed in accordance with procedures established by Caltrans.

Analysis Horizon Years

The Traffic Study has analyzed the potential project impacts for the 2015 horizon year only. This is based on a flawed assumption that the project will be completed by 2015. The analysis completely ignores the project impacts for the long range (i.e., Year 2030) and City build-out scenarios (Post 2030). This is a significant deficiency due to the potential remaining development and re-development opportunities in the area. Additionally, a key element of the City's General Plan circulation network, extension of Studebaker from Westminster to PCH is yet to be completed and future horizon year scenarios with inclusion of this roadway extension must be analyzed.

Project Mitigation Measures and Project Alternatives

The Traffic Study, even with its limited scope and other shortcomings identified above, has clearly identified significant project impacts at several intersections that are already operating at unacceptable level of service. However, no attempts have been made to identify the required improvements to bring these intersections to an acceptable level of service. It is critical to know what improvements would be needed to improve these intersections. For example the intersection of 2nd Street and PCH can be improved by

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implementation of physical improvements that would be partially located on the project site. Yet, no efforts have been made to identify such measures to improve the operation of this intersection.

Similarly, even though some of the project alternatives analyzed in the study have a lower trip generation their reduced level of impact have been dismissed since they were found to be impacting the same intersections as the proposed project (i.e., 2nd Street/PCH and 2nd Street/Studebaker).

Project Shuttle Service

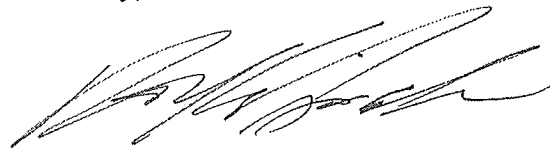
A project sponsored Shuttle Service has been identified as a mitigation measure for off setting project impacts at Bay Shore/2nd Street and 2nd Street/PCH. The Shuttle Service would be considered a Travel Demand Management (TDM) measure. It should be noted the project trip generation has already been reduced in the Traffic Study for analyzing the potential project impacts. Therefore, to use the Shuttle Service as a "mitigation measure" would be double counting and thus ignoring the project obligations for mitigating its impacts at these intersections. Furthermore, there is no discussion and/or quantification of how the shuttle service would result in the stated capacity enhancement at the identified intersection.

Project Access Evaluation

The Traffic Study states in Section 2.1 that the proposed main project access drive off PCH (Driveway B) will require access and on-site circulation modifications across the street at Marketplace. However, there is no information in the study that would indicate such modifications are acceptable to Marketplace. Therefore, the design of the main entry into the project may not be feasible should Marketplace not agree to the required changes to that property.

In our view the (Revised) Traffic Study conducted for the Second + PCH Development does not adequately address the potential impacts of this project. The study is extremely limited in scope and inadequate for evaluating the impacts of such a significant project. Please call me if you have any questions regarding our comments or concerns regarding the Traffic Study.

Sincerely,



Peter K. Pirzadeh, P.E.
Principal