



CITY OF LONG BEACH

THE CITY PLANNING COMMISSION

H-1

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6194 FAX (562) 570-6068

December 14, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Hearing to Authorize the Douglas Park Development Agreement, Amend the General Plan, Rezone the Former McDonnell-Douglas Aircraft Manufacturing Plant at 3855 Lakewood Boulevard, and Consider, on Appeal, the Planning Commission's Action to Approve the Tentative Map (No. 21626) and Certify the Environmental Impact Report (State Clearinghouse No. 2001051048) and Adopt Statement of Overriding Considerations and Mitigation Monitoring Plan (Council District 5)

DISCUSSION

The applicant, the McDonnell-Douglas Corporation in care of the Boeing Realty Company (Boeing), is requesting approval of the requisite entitlements to redevelop 238 acres of a former McDonnell-Douglas aircraft manufacturing plant into a phased mixed-use development with the following features:

- Up to 3.3 million square feet of commercial floor area including office, research and development, light industrial, and aviation-related uses;
- Up to 200,000 square feet of retail (to be counted towards the 3.3 million square feet of commercial floor area);
- Up to 400 hotel rooms;
- Approximately 10.5 acres of parkland and 2.5 acres of open space, including the extension of a Class I bicycle path through the site; and
- Up to 1,400 dwelling units.

The project site is bounded on the south by Long Beach Municipal Airport, on the west by Lakewood Country Club and Long Beach Municipal Airport, on the north by Carson Street and to the east by Lakewood Boulevard. The project includes the rezoning of the project site to the Douglas Park Planned Development (PD-32) to allow the development of the proposed uses. Commercial uses will be located on approximately 137 acres in the southern portion of the site including aviation-related uses adjacent to the Airport. Residential uses will be located on approximately 101 acres in the northern portion of the site. Low- and medium-density housing will be located on the western portion of the housing area and will allow for single family detached homes, townhomes, row houses, condominiums, and townhome/flat combinations. Medium- to high-density housing will be located on the eastern portion of this housing area including condominiums, apartments, townhomes, row houses, and townhome/flat combinations. The project will include recreational and open space amenities including approximately 13 acres of public parks and open space in the residential portion of the project site.

The applicant is requesting the City Council to adopt an ordinance to authorize the execution of the Douglas Park Development Agreement in substantially the same form as that contained in the exhibit to the proposed ordinance (Attachment 16). Development Agreements are useful tools for large projects that will be built out over many years. The lack of certainty in the approval of large-scale phased projects often discourages investment in and commitment to comprehensive planning efforts by a developer. A Development Agreement provides a developer with a level of certainty about the land use requirements being imposed by a municipality, and it provides a city with the opportunity to undertake a comprehensive planning effort and to advance its local planning policies. Staff and the applicant have negotiated the terms of a Development Agreement for the development of the project. In order to appropriately offset potential impacts of the Project, as well as provide for a balanced and beneficial project, the Douglas Park Development Agreement includes several major deal points, as described below:

Land Use Issues

- PD-32 will prohibit stand-alone warehouse or distribution functions.
- PD-32 will prohibit residential uses south of "F" Street.
- Commercial infrastructure shall be provided by Boeing in advance of any market demand and will be linked with development of residential units.
- PD-32 will prohibit residential land uses inside the 60 CNEL noise contour as it currently exists.

Off-Site Landscape Improvements

- Boeing will complete landscape improvements in medians and in parkways adjacent to sidewalks along Lakewood Boulevard between Conant Street and Carson Street.
- Boeing will maintain Lakewood Boulevard landscape improvements in perpetuity (consistent with Boeing's existing obligation on the portion of Lakewood Boulevard between Spring Street and Conant Street).

Parks and Recreational Open Space

- Boeing will dedicate and improve 9.3 gross acres of new public parkland. Four parks will be provided, ranging in size from 0.5 acres to 6 acres. Delivery of parks shall be contingent upon phasing of commercial infrastructure and remediation of sites to regulatory standards.
- Boeing will dedicate and improve 1.2 acres of new private open space. Private open space shall be provided in the form of a community pool and landscaped pedestrian connections to the public bike path.
- Boeing will dedicate and improve approximately 2.2 gross acres of new bike path segments.
- Boeing, its successor in interest, or the eventual homeowner association, will be responsible for maintenance costs of all park improvements, including the public parks, in perpetuity.
- In addition to providing parks within the project site, Boeing shall be required to pay park impact fees at the current rate (approximate value of \$3 million based on 1,400 residential units).

Off-Site Transportation Improvements

- Boeing will make traffic improvements to 12 intersections surrounding the project site.
- Boeing will design and implement an ATCS ("smart signal") program on eight major arterials surrounding the project site.
- Boeing will fund the creation of a program to address localized neighborhood impacts, to be administered by the City's Traffic Engineer.

Other Deal Points

- Boeing will contribute up to \$3 million to the City for affordable housing programs, at the City's sole discretion. Payment of the affordable housing fee will be linked to the phasing of the commercial infrastructure and development of the residential units.
- Boeing will grant an Avigation Easement to the benefit of the City, providing legal protection for the City against claims related to standard Airport operations.
- Boeing and Long Beach Unified School District have negotiated a separate agreement which will provide for the payment of school fees in excess of statutory requirements.

City Obligations

- The City will rezone the project site to PD-32 to allow for the development of 101 acres of land for residential and open space uses and 137 acres for commercial uses.
- The City will freeze park and sewer impact fees at the current rates for the term of the Development Agreement.
- The City will allow the substitution of traffic impact fees in exchange for enhanced off-site traffic improvements.
- The City will designate a "Project Coordinator" who will be primarily responsible for coordinating all land use permits.
- The City will conduct an annual review of Boeing's compliance with the terms of the Development Agreement.

On October 7, 2004, the Planning Commission made a unanimous decision (6-0) to approve the Tentative Map (No. 61252), certify the Environmental Impact Report (EIR State Clearinghouse No. 2001051048) and adopt a statement of overriding considerations and Mitigation Monitoring and Reporting Program (MMRP) for the proposed Douglas Park project. In the same motion, the Planning Commission recommended that the City Council adopt ordinances to authorize the execution of the Douglas Park Development Agreement by the City Manager on behalf of the City, amend the existing Douglas Aircraft Planned Development (PD-19) Ordinance, rezone the project site from PD-19 and CCA (Community Automobile-Oriented District) to Douglas Park Planned Development (PD-32), and amend Sections 21.37.020, 21.29.090 and the Noise District Map of Section 8.80.160 of the Long Beach Municipal Code, as well as adopt resolutions to establish a fee for the annual review of development agreements, and amend the Land Use, Transportation, and Noise Elements of the General Plan and the Bicycle Master Plan. Please see attached minutes of the October 7, 2004 meeting (Attachment 1) for a summary of the Planning Commission's actions. In a separate motion taken on December 2, 2004, the Planning Commission unanimously (5-0) adopted the PD-32 Design Guidelines (Attachment 2) as a companion document to the PD-32.

In making the motion on October 7, 2004 in favor of the Douglas Park project, the Planning Commission made the following findings:

- The project will provide for a well-balanced community, offering planned and protected residential districts, an adequate park and recreation system for all future residents, well-planned commercial districts, and a coordinated circulation system for safe and efficient movement of people and commodities;
- The proposed Development Agreement provides positive economic benefits to the City of Long Beach at full build-out, as well as contributions to park development, affordable housing, and street beautification;
- The proposed rezoning of the site is consistent with the General Plan, as amended, and allows the reutilization of an underutilized site;
- The project will result in construction of transportation improvements that will mitigate almost all of the traffic impacts of the project;
- The project will provide for the protection of the City from potential exposure to airport noise-related litigation initiated by future residents of the project through aviation easements and provides for the location of residential uses in areas of the project site least impacted by airport noise; and
- The significant economic, legal, social, technological and other benefits of the project outweigh and override those potentially significant adverse environmental impacts of the project identified in the EIR.

Please see Planning Commission staff report and attachments dated October 7, 2004 for a full staff analysis of the project (Attachment 3). The EIR originally attached to the staff report has been excluded from the attachments to this letter. Instead, the EIR was transmitted under separate cover (Attachment 4) to the City Council on October 1, 2004 in advance of this public hearing in order to provide the City Council with additional time for review. In addition, an errata to the EIR is attached (Attachment 5) to reflect changes to the EIR approved by the Planning Commission.

An appeal of the Planning Commission decision was filed on October 14, 2004 by Candice A. Robinson, representing the Long Beach Flying Club and Flight Academy. The contents of the appeal and a rebuttal prepared by the professionals responsible for the composition of the EIR are attached for reference. (Attachment 6)

On October 20, 2004, the Los Angeles County Airport Land Use Commission (ALUC) reviewed the Douglas Park project and voted 4-0 to find it consistent with the Los Angeles County Airport Land Use Plan (ALUP) and directed staff to prepare findings and conditions of approval for the project. On November 17, 2004, the ALUC took final action and approved findings and conditions (Attachment 7) for the project.

This report was reviewed by Assistant City Attorney Mike Mais on December 2, 2004.

TIMING CONSIDERATIONS

State law requires an action to approve or disapprove a project to be taken by the City Council within 180 days from the date of certification by the lead agency of the EIR. The Planning Commission certified the project EIR on October 7, 2004. A one-time extension of no more than 90 days may be granted if requested in writing and agreed to by both the City and the applicant. Additionally, the Municipal Code requires that appeals of actions taken by the Planning Commission be heard by the City Council within 60 days of the receipt by the City Clerk from the Department of Planning and Building of the appeal filed with the Department (or by December 14, 2004).

FISCAL IMPACT

The City has retained the professional services of Keyser Marston Associates (KMA) to consider the economic rationale of developing the site with a mix of commercial, light industrial and residential uses. In a memo dated August 4, 2004, (Attachment 8) KMA opined that the proposed mix of land uses combined with the terms of the Development Agreement would result in the highest likelihood of near-term development of industrial and office uses. At full build-out, the project is expected to generate approximately 11,000 permanent jobs, with a net annual fiscal impact to the City of \$2.4 –\$3.6 million in revenue, based on a fiscal analysis provided by Robert Charles Lesser & Co., Inc., on behalf of the applicant. Both the KMA memo and the fiscal analysis are attached for reference. (Attachments 8 & 9)

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Overrule the Appeal and Sustain the Decision of the Planning Commission and adopt resolution re-certifying Environmental Impact Report (State Clearinghouse No. 2001051048) and adopt a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
2. Overrule the Appeal and Sustain the decision of the Planning Commission to approve Vesting Tentative Tract Map No. 61252, subject to conditions;
3. Declare Ordinance to rezone the site from Douglas Aircraft Planned Development (PD-19) and CCA (Community Automobile-Oriented District) to Douglas Park Planned Development (PD-32) read the first time and laid over to the next regular meeting of the City Council for final reading;
4. Declare Ordinance to amend the Douglas Aircraft Planned Development (PD-19) Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading;
5. Declare the Douglas Park Planned Development (PD-32) Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading;

6. Declare Ordinance to adopt the attached amendments to Sections 21.37.020, 21.29.090 and the Noise District Map of Section 8.80.160 of the Municipal Code read the first time and laid over to the next regular meeting of the City Council for final reading;
7. Declare Ordinance to authorize the execution of the Douglas Park Development Agreement by the City Manager, in substantially the same form as attached, read the first time and laid over to the next regular meeting of the City Council for final reading;
8. Adopt the resolution to establish a fee for the annual review of a development agreement; and
9. Adopt the resolution to amend the Land Use, Transportation, and Noise Elements of the General Plan and the Bicycle Master Plan.

MORTON STUHLBARG
PLANNING COMMISSION CHAIRMAN

Respectfully submitted,



FADY MATTAR
ACTING DIRECTOR OF PLANNING AND BUILDING



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

FM:MSF:GC:AB:jr

APPROVED:



GERALD R. MILLER
CITY MANAGER

- Attachments:
1. Planning Commission Minutes – October 7, 2004 (including Resolution Certifying EIR)
 2. PD-32 Design Guidelines
 3. Planning Commission Staff Report dated October 7, 2004 (including attachments)
 4. Final EIR Transmittal Memo dated October 1, 2004
 5. Errata to EIR (State Clearinghouse No. 2001051048)
 6. Completed Appeal Form and Applicant's Rebuttal
 7. Airport Land Use Commission Action of November 17, 2004

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8. KMA memo dated August 4, 2004
9. Fiscal Analysis of Project Provided by Robert Charles Lesser & Co., Inc.
10. Public Correspondence
11. Resolution Re-Certifying EIR (State Clearinghouse No. 2001051048)
12. Rezoning Ordinance
13. PD-19 Ordinance
14. PD-32 Ordinance
15. Ordinance Amending Municipal Code Sections 8.80.160, 21.29.090 and 21.37.020
16. Ordinance Authorizing Development Agreement
17. Resolution Amending Filing Fees
18. Resolution Adopting General Plan and Bicycle Master Plan Amendments