

**MINUTES OF THE MEETING OF
THE SUCCESSOR AGENCY TO
THE LAWDALE REDEVELOPMENT AGENCY
AUGUST 15, 2016**

- A. **CALL TO ORDER AND ROLL CALL** – The meeting was called to order at 6:31 p.m. in the Lawndale City Hall council chamber, 14717 Burin Avenue, Lawndale, California. The meeting was held concurrently with a regular City Council meeting.

Members Present: Chair Robert Pullen-Miles, Vice Chair Pat Kearney, Member James H. Osborne, Member Daniel Reid, Member Bernadette Suarez

Other Participants: Secretary Rhonda Hofmann Gorman, Executive Director Stephen N. Mandoki, General Counsel Tiffany J. Israel

- B. **CEREMONIALS** – Member Reid led the flag salute.

- C. **ORAL COMMUNICATIONS - ITEMS NOT ON THE AGENDA** – none

- D. **COMMENTS FROM MEMBERS** – none

- E. **CONSENT CALENDAR**

Minutes of the Successor Agency Regular Meeting – August 1, 2016. (Recommendation: that the board approve.)

A motion by Member Reid to approve the consent calendar was seconded by Vice Chair Kearney and carried by a vote of 5-0.

- F. **ADMINISTRATION**

Arroyo Seco Development Group – Update on the Property at the Southwest Corner of Hawthorne and Manhattan Beach Boulevards. – presentation by Steve Boss, James Rodriguez and Sujit Shah

The representatives discussed their marketing efforts with restaurant operators and site plan development, seeking input from the board on both fronts. In marketing, approximately 20 restaurants had expressed interest in the project, eight of which were of the sit down, casual dining variety. Board direction regarding preferred tenants would dictate the site plan; direction regarding the site plan would dictate what kinds of tenants might be feasible.

The plans included the possibility of a phased development that would allow incorporation of the two parcels not owned by the agency. Frontier Real Estate Investments, the owner of one of the parcels, had quoted a \$1 million price for the property. The owner of the other parcel had expressed interest in selling, but would need relocation assistance.

Features of the two site plans that were presented included a gathering place with outdoor seating, modern architecture, and a focal point such as a water feature. A larger, sit down restaurant would require a larger building, approximately 5,500 square feet in size with the site still possibly able to accommodate two tenants with lower space needs. Such restaurants also require more parking because turnover in customers is slower. For fast casual restaurants, two buildings could be constructed. Both plans would include a little less than 80 parking stalls.

The casual dining industry was described as having plateaued recently due to pullbacks and bankruptcies, leaving the industry reticent to consider opening new restaurants within three to six miles of an existing one and with a preference for location in major retail hubs such as shopping malls. So their marketing efforts focused on restaurants not currently operating in the area. Also, much of the growth in the restaurant industry has been in fast casual dining with consumers looking for establishments with faster service, good atmosphere and featuring socially responsible themes.

Mr. Boss cited several project strengths – a dense population with disposable income, a daytime population, and high visibility at the location. If the board directed the firm to pursue a sit down restaurant, a lease terms could present a challenge in that those restaurants cannot afford as high rents as fast casual due to the slower turnover of customers and need to hire more employees. Threats to the project included timing in tenant negotiations and instability in the economy.

The representatives responded to the board's questions regarding the following:

- The possible tenant mix, including parking needs and the potential for synergies in their food offerings
- The feasibility of second level parking, with Arroyo Seco describing its exploration of a possible mixed use development
- Direction to seek a deal for an Appleby's sit down restaurant
- Details about the proposed site plans, including the amount of landscaping, square footage of the buildings, and removing features to gain parking

Public comment:

- Gary McDonald questioned when the board decided it wanted Appleby's, discussed a past proposal involving building a Hyatt hotel, a California Pizza Kitchen and a Starbucks, and objected to the development process being followed.
- Tom Carpenter of Frontier Real Estate Investments expressed surprise that his company was not selected to enter into the exclusive negotiation agreement, discussed the value of the parcel his company owns, and criticized Arroyo Seco's renderings as somewhat misleading.
- Mark Shurgin of The Festival Companies expressed continuing interest in the project and stated that he was prepared to put up a \$100,000 nonrefundable deposit to buy the property, even with no tenants.
- An unidentified male discussed his willingness to deal with Frontier Real Estate Investments and the development process being followed.
- Pam London suggested that there would be inadequate parking for an Appleby's.
- Monica (last name not given) suggested that the board develop something recreational that would attract the millennial generation, or a more local restaurant rather than a chain.
- Steve Koonz expressed concern that an Appleby's would have a negative impact on Spires.
- Johnny London supported a hotel development with retail on the first floor.

The board responded to the public comments, particularly one speaker's suggestion that it had secretly decided on Appleby's. Rather, the board had expressed a preference for a sit down restaurant, largely as a result of a community meeting where residents expressed the desire for one. Regarding the process being used, the board also discussed the openness of the development company selection process.

Chair Pullen-Miles noted that the development climate had changed recently in a way that could not have been predicted when the board began the process – a National Football League stadium was being built. With an already high occupancy rate in South Bay hotels and anticipated year

round events at the new stadium, Lawndale was in a position to take advantage of new opportunities because it has the property to develop. The board concluded that it might consider other options, but would proceed for now with the timeline stipulated in the exclusive negotiation agreement.

G. EXECUTIVE DIRECTOR'S REPORT – none

H. ITEMS FROM MEMBERS – none

I. CLOSED SESSION

Conference with Real Property Negotiator - The agency board conducted a closed session, pursuant to Government Code section 54956.8, to enable the board to consider negotiations with Arroyo Seco Development Group and to give direction to its negotiators regarding those certain real properties: 15801/15811 Hawthorne Blvd. (APN 4074-001-900/901/902/903/904), 15821 Hawthorne Blvd. (APN 4074-001-906), and 4432 Manhattan Beach Blvd. (APN 4074-001-907). The agency's real property negotiators, its executive director and assistant executive director, sought direction from the board regarding the price and terms for this property. General Counsel Israel reported that the board was updated and took no reportable action.

J. ADJOURNMENT – There being no further business to conduct, the meeting was adjourned at 9:34 p.m.

Robert Pullen-Miles, Chair

ATTEST:

Rhonda Hofmann Gorman, Secretary

/plg.

Approved: 9/6/16