

**MINUTES OF THE MEETING OF  
THE SUCCESSOR AGENCY TO  
THE LAWDALE REDEVELOPMENT AGENCY  
DECEMBER 2, 2015**

- A. **CALL TO ORDER AND ROLL CALL** – The meeting was called to order at 6:35 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, Member James H. Osborne, Member Pat Kearney, and Member Daniel Reid  
Member Absent: Vice Chair Larry Rudolph  
Other Attendees: Executive Director Stephen N. Mandoki, Community Development Director Joe Perez, Community Development Manager Perry Banner

- B. **CEREMONIALS** – Councilmember Reid led the flag salute, after which Chair Pullen-Miles called for a moment of silence to honor those killed earlier that day at the Inland Regional Center in San Bernardino.
- C. **ORAL COMMUNICATIONS - ITEMS NOT ON THE AGENDA** – Casey Cook started to discuss the development of the agency property at the corner of Hawthorne and Manhattan Beach Boulevards, but was asked by the chair to reserve his remarks until later since the oral communications section of the meeting was reserved for matters not on the agenda.
- D. **COMMENTS FROM MEMBERS** – none
- E. **ADMINISTRATION**

**Development of the Property at the Southwest Corner of Hawthorne and Manhattan Beach Boulevards.** Community Development Director Perez summarized the steps thus far taken to identify a buyer/developer of the property that resulted in the selection of firms who met staff's highest qualifying criteria, including experience in developing such properties, financial strength and ability to complete projects on time. He reported that the purpose of the meeting was to enable the agency members to interact with the three finalists.

The following developers presented proposals to the agency board:  
Frontier Real Estate Investments – Dan Almquist, Scott Silberberg, Richard Rizika  
Arroyo Seco Development Group – Steve Boss, James Rodriguez  
The Festival Companies – Mark Shurgin, Ryan Shea

Frontier Real Estate Investments. The representatives discussed the following: a) their development experience which focused on infill retail development of properties 5 acres and under; b) the group's emphasis on keeping many functions in-house; c) its partnerships with architectural, financial and real estate brokerage firms; d) its vision of a restaurant focused project in Lawndale that would act as a community gathering place; e) its negotiations with

the owners of two adjacent properties; and f) its recent completed projects and projects in development.

Councilmember Osborne asked what would be the one ideal anchor restaurant. Messrs. Almquist and Silberberg suggested one that would provide lunch and breakfast in addition to dinner, and a restaurant that would provide something that would satisfy community needs that are currently lacking such as healthful, full service alternatives like Wood Ranch.

When Councilmember Reid expressed a preference for a gathering place and development of the entire block, Mr. Almquist detailed his discussions with adjacent property owners, Tom Nealy and Felix Padilla.

Mayor Pullen-Miles' preferences included creating a community gathering place, a development that would attract commuters off the boulevard, an environmentally sustainable development, and inclusion of public art.

Arroyo Seco Development Group. The representatives discussed a) the team's expertise in development, the retail sector, restaurants, design and leasing, and its focus on its principals personally delivering fewer, higher quality projects; b) its vision for the project and key elements including design, architecture and a tenant mix that would bring people in and get them to stay longer; c) their recent development of a property in Paramount that was of a similar size in a community that also wanted a full service, sit down restaurant; d) the importance of flexibility in the design to satisfy tenants' specific needs; and e) results of the company's research that calculated the amount of retail and commercial space on Hawthorne Boulevard between Rosecrans Avenue and Manhattan Beach Boulevard, the challenge of competing with existing national brand retail and restaurants nearby in El Segundo, Manhattan Beach and Redondo Beach, the project's proximity to 226,000 people who live east and north of the 405 freeway and potentially travel through the intersection, the \$15 million spent by Lawndale residents at food and drinking places outside of the city (referred to as leakage), and the large millennial population in and around Lawndale that represents the most important target group in retail.

To Councilmember Osborne's question about what specific anchor restaurant they envision, Mr. Boss considered Applebee's and Buffalo Wild Wings to be a good fit, and possibly Chili's. Mr. Rodriguez mentioned TGI Fridays and noted that Applebee's was scaling back to smaller, more modern facilities in response to the recent successes of fast casual restaurants at the expense of full size, sit down restaurants.

When Councilmember Reid mentioned liking Sonic, Mr. Boss suggested that there are many restaurant groups that would be attracted to the property and it would be important to consider what would best serve the community.

At Community Development Manager Banner's suggestion, Mr. Boss discussed the attractiveness of a public open space area to both full size, sit down restaurants and fast casual restaurants.

Mayor Pullen-Miles preferred the modern design concept and a location where groups could individually purchase food at different stores but eat together in a common area. He noted that people develop a habit of going to the same location, but change the particular restaurant they patronize depending on their current preferences that day. He also suggested that the expansion of the South Bay Galleria would increase the leakage of spending outside of the city.

Councilmember Kearney stressed the desire of the community and council for a sit down restaurant such as Applebee's.

The Festival Companies. The representatives discussed a) their experience in developing shopping centers, including one in El Monte which was also a former redevelopment agency property; b) its previous experience with the relocating mobile home park tenants; c) their past experience with a wide array of restaurant tenants; d) the prominence of the site and its potential to become a signature site in the city; e) their attention to architectural design including finishes, landscaping, lighting, tile work, fire features and other amenities; f) their vision of a multi-restaurant project with a leading full service, sit down restaurant; g) possible site plans that either included or excluded the property owned by Felix Padilla, both of which they anticipated could be opened in about a year from the close of escrow, and the investment required for each; and g) and their history of being long term owners of quality properties.

Councilmember Osborne inquired about the total number of tenants that might locate in the smaller building pictured in the site plans and how the courtyard area might appear. In response to his question about a single, ideal sit down restaurant, Mr. Schurgin suggested that Applebee's is interested and that in Escondido, where Applebee's is a Festival tenant, they have become a part of the community, sponsoring Little League teams.

Councilmember Reid inquired about a small, third building in one of the site plans and Mr. Schurgin shared that he had discussed with Mr. Padilla the possibility of locating his business in that building in exchange for his current property and some additional cash. Mayor Pullen-Miles asked what would happen with the Nealy property. Mr. Schurgin replied that their goal would be to buy the property from Mr. Nealy, but they might have to simply build around it.

When Councilmember Kearney expressed concern that there might be empty stores, Mr. Schurgin assured him that the overall occupancy level on Festival properties is over 93%. Councilmember Kearney stressed that the tenant mix should be worked around a sit down restaurant, rather than focus on fast casual restaurants. In his response, Mr. Schurgin discussed the importance to potential tenants that the developer owns the property and can deliver a built store on time, given the costs retailers must incur before the doors open.

There was no one in the audience who chose to comment and the agency members had no further questions or comments.

**E. EXECUTIVE DIRECTOR'S REPORT – none**

F. **ITEMS FROM MEMBERS** – none

G. **ADJOURNMENT** – There being no further business to conduct, the meeting was adjourned at 8:42 p.m.

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Robert Pullen-Miles, Chair

ATTEST:

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Bernadette Suarez, Secretary

Prepared by: Pamela L. Giamario, Asst. City Clerk

Approved: January 19, 2016  
Date