

May 20, 2025

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to authorize the City Manager, or designee, to execute all documents necessary for a First Amendment to Second Amended and Restated Declaration of Covenants, Conditions and Restrictions with Mamo LBMP Investors I, LLC, a Delaware limited liability company, and CP VI Marketplace, LLC, a Delaware limited liability company, related to City-owned property, Assessor Parcel Number 7237-020-904, located adjacent to 6615 – 6695 East Pacific Coast Highway within Marketplace Long Beach;

Authorize the City Manager, or designee, to execute all documents necessary for a Parking Permit with CP VI Marketplace, LLC, a Delaware limited liability company for the non-exclusive use of 75 parking spaces within City-owned property, Assessor Parcel Number 7237-020-904, located adjacent to 6615 – 6695 East Pacific Coast Highway within Marketplace Long Beach, for a period of 55 years; and

Determine the project is within the scope of the project previously analyzed as part of the Southeast Area Specific Plan Program Environmental Impact Report (State Clearinghouse No. 2015101075) (PECC 03-23) and subject to the Southeast Area Specific Plan Mitigation Monitoring and Reporting Program and making certain findings and determinations related thereto and warrants no further environmental review pursuant to the California Environmental Quality Act Guidelines Sections 15162, 15168, and 15183. (District 3)

DISCUSSION

On August 4, 2009, the City Council authorized a real estate exchange of approximately 13.4 acres of land owned by the City of Long Beach (City) for approximately 37.77 acres of land owned by LCW Partners, LLC, to further wetland conservation. Of the 37.77 acres received by the City, approximately 3.84 acres, Assessor Parcel Number 7237-020-904 (City Parcel), are located within Marketplace Long Beach, bounded by 2nd Street to the north, Studebaker Road to the South, Shopkeeper Road to the East and Pacific Coast Highway to the West (Marketplace) (Attachment A). In addition to the City Parcel, Marketplace includes two additional ownerships: Mamo LBMP Investors I, LLC (Mamo), owner of the Marketplace Shopping Center (Shopping Center) located to the north of the City Parcel and includes shops and restaurants such as California Pizza Kitchen and Trader Joes, and CP VI Marketplace, LLC (Carmel), owner of the Marketplace Office Park (Office Park) located to the south of the City Parcel consisting of three office buildings, two of which are slated for demolition in pursuit of a new mixed-use

development. The entirety of the Marketplace is subject to a Second Amended and Restated Declaration of Covenants, Conditions and Restrictions (CC&Rs) executed May 10, 2000, which governs the rules and regulations pertaining to the development, operations and maintenance of Marketplace, including establishment of no build areas, use provisions and parking restrictions as well as reciprocal easement agreements between the Office Park and Shopping Center.

On September 19, 2023, the City Council denied an appeal of Planning Commission approval for the redevelopment of two of Carmel's existing office buildings located at 6615 and 6695 East Pacific Coast Highway. The approved project includes demolition of two office buildings and construction of a new six-story mixed-use project consisting of 390 residential dwelling units (seventeen of which are affordable very low income units), 5,351 square feet of commercial/retail space in a building with 576 vehicular parking spaces in an above-grade parking structure, 196 bicycle parking spaces, and 45,141 feet of public and private open space area (Carmel Project). A third office building located towards the rear of Carmel's property, adjacent to the terminus of Shopkeeper Road, will remain and continue to operate as an office building. As the CC&Rs directly relate to the existing Office Park development conditions, the City, Mamo and Carmel have been in negotiations to amend the CC&Rs as the no build and parking restrictions currently in place hinder Carmel's ability to move forward with construction of the Carmel Project, which includes the demolition of two of the aforementioned office buildings. All parties have expressed a desire to adjust provisions of the CC&RS to everyone's mutual benefit resulting in not only in the construction of the Carmel Project but opportunity for future redevelopment of the Shopping Center as well as releasing the City from certain obligations and restrictions on the City Parcel. Therefore, City staff have negotiated an amendment of certain terms of the CC&R's.

No-Build Zones (Attachment B)

The CC&Rs established "no-build" zones over certain portions of the Shopping Center and the Office Park and the entirety of the City Parcel to ensure compliance with established parking requirements and that expansion beyond the current development did not occur. The proposed amendment would eliminate these zones in their entirety effectively resetting the boundaries in which development may occur and allow construction of the Carmel Project to move forward. Further, this modification allows both the City and Mamo liberty to consider future redevelopment of each owners' respective properties. All Marketplace parcels are required to comply with the Southeast Area Specific Plan (SEASP) (SP-2) and its zoning provisions, which include applicable parking regulations.

No Change in Use Area (Attachment C)

The CC&Rs also established a "no change in use area" restriction for the area of the Shopping Center where the movie theatre and former restaurant are located. The restriction does not allow any other uses without the express consent of each party to the CC&Rs and limits Mamo's ability to consider redevelopment of this area. The proposed amendment would eliminate this restriction providing Mamo the freedom and opportunity to consider redevelopment of its property consistent with SEASP zoning regulations.

Exclusive Easement for 80 Parking Spaces (Attachment D)

Within the City Parcel, an exclusive easement for 80 parking spaces was established along with a requirement for the City to potentially deed over that portion of its property to Mamo under certain conditions. Further, the CC&Rs require the City Parcel to provide parking to the Shopping Center and Office Park at no charge. The proposed amendment would delete the easement in its entirety, removing the City’s obligation to reserve parking spaces and eliminating the potential for a fee title transfer. Additionally, the amendment will now require all parties to acknowledge that the Shopping Center and Office Park shall not satisfy any parking demands through, on, or by use of the City Parcel and should the use of parking spaces on the City Parcel be required to satisfy zoning requirements, the City reserves the right to charge a fair market rate for such parking through a parking agreement.

Parking Agreement for Remaining Office Building (Attachment E)

Upon completion of the Carmel Project, one Office Park building, located at 6621 East Pacific Coast Highway, southeast of the City Parcel, will remain in place but lack the requisite number of parking spaces required by zoning. As such, Carmel has requested the non-exclusive use of 75 parking spaces within the City Parcel to meet their compliance. The City and Carmel have negotiated a Parking Agreement to serve the remaining Office Building with the following terms and conditions:

<u>Permittor:</u>	City of Long Beach, a municipal corporation.
<u>Permittee:</u>	CP VI Marketplace, LLC, a Delaware limited liability company.
<u>Permitted Use:</u>	Non-exclusive use of 75 parking spaces within the City Parcel.
<u>Term:</u>	55 years, commencing the earlier of January 1, 2026, or completion of a Lot Line Adjustment required as part of the Carmel Project.
<u>Rent:</u>	\$25 per parking space, per month, subject to a three percent increase on each annual anniversary of the Permit.
<u>Taxes and Insurance:</u>	Permittee shall be responsible for any possessory interest or other assessment the Permit may create. Permittee will also be responsible to provide and maintain appropriate insurance coverages.
<u>Assignment:</u>	Permittee will be allowed to assign the Permit to anyone who acquires all of the Permittee’s building located at 6621 East Pacific Coast Highway or any any entity that the Permittee controls or is under common control with

Permittee, which is defined as direct or indirect ownerships of more than 50 percent.

Termination:

Either party shall have the right to terminate this Permit for any reason or no reason at any time by giving 180 calendar days prior written notice to the other party. Further, this Permit shall automatically terminate upon the complete structural demolition of the remaining Office Park building located at 6621 East Pacific Coast Highway.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines Sections 15168, 15162, and 15183, the development project was analyzed as part of the previously certified Southeast Area Specific Plan Program Environmental Impact Report (PEIR) (State Clearinghouse No. 2015101075) and subject to the Southeast Area Specific Plan Mitigation Monitoring and Reporting Program (MMRP). A PEIR Compliance Checklist (PECC 03-23) and technical studies were prepared for the specific project. Project activities have been determined to be within the scope of activities analyzed in the PEIR and will not result in any new significant impacts. The MMRP is designed to ensure compliance with adopted mitigation measures during project implementation. For each mitigation measure recommended in the PEIR that applies to the applicant's proposal, specifications are made that identify the action required and the monitoring that must occur. In addition, the MMRP identifies the party responsible for carrying out and for verifying compliance with each individual mitigation measure.

On September 19, 2023, the City Council received supporting documentation into the record, concluded the public hearing, and considered third-party appeals from Lozeau Drury LLP, on behalf of Supporters Alliance for Environmental Responsibility (SAFER) (APL23-011) and Ann Cantrell and Anna Christensen, on behalf of Sierra Club Los Cerritos Wetlands Task Force (APL23-002). While the Los Cerritos Wetlands Land Trust (LCWT) is a named appellant, a letter was submitted on September 18, 2023, from Elizabeth Lambe, on behalf of the LCWT, withdrawing appeal APL23-012. At the September 19, 2023, hearing, the City Council denied the two appeals, upheld the decision of the Planning Commission, and adopted a resolution (RES-23-0142) approving and upholding Site Plan Review (SPR22-082), relating to the development project. On December 13, 2023, the California Coastal Commission issued a Finding of No Substantial Issue for an appeal by the Sierra Club Los Cerritos Wetlands Task Force (Coastal Commission Application No. A-5-LOB-23-0046).

The proposed actions to execute required documents would be consistent with the project approved by the City Council on September 19, 2023. The project would be of the same size and use as analyzed in the PEIR Compliance Checklist, and construction and operation of the project would not result in additional impacts not identified in the environmental document. As conditioned, the project would be required to adhere to all mitigation measures identified in the Southeast Area Specific Plan PEIR MMRP. The preparation and public availability of the Southeast Area Specific Plan PEIR Compliance Checklist have been carried out in compliance with the provisions of CEQA and the CEQA Guidelines. Therefore, in compliance with Sections

15168, 15162, and 15183 of the CEQA Guidelines, no subsequent environmental analysis is needed for this action.

Approval of these recommendations supports both the City's 2030 Strategic Vision, specifically the theme of Housing and Homelessness, through Goal 4.2: New Housing is developed to meet the needs of residents of all income and ability levels and the Grow Long Beach Blueprint focus area of Real Estate Development through the objective of increasing citywide real estate development investment.

This matter was reviewed by Deputy City Attorney Adam Jacobs on April 30, 2025, and by Budget Management Officer Nader Kaamoush on May 2, 2025.

TIMING CONSIDERATIONS

City Council action is requested on May 20, 2025, to facilitate execution of the First Amendment to the Second Amended and Restated Restrictive Declaration of Covenants, Conditions and Restrictions as well as the Parking Permit.

LEVINE ACT

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$500 within 12 months prior from a party, participant, or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$500 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$500 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$500 from a party, participant, or their representatives, during a proceeding and for 12 months following the date a final decision is rendered.

FISCAL IMPACT

Beginning in FY 26, a monthly revenue of \$1,875 subject to a three percent increase on each annual anniversary of the Permit will be deposited to the General Fund Group in the Economic Development Department through the 55-year term. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Bo Martinez
Director
Economic Development

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS: A – MARKETPLACE LONG BEACH MAP
B – NO BUILD ZONES MAP
C – NO CHANGE IN USE AREA MAP
D – EXCLUSIVE EASEMENT FOR PARKING MAP
E – PARKING PERMIT AREA MAP
F - SOUTHEAST AREA SPECIFIC PLAN PROGRAM ENVIRONMENTAL IMPACT REPORT ADDENDUM