



## CITY OF COMMERCE STAFF REPORT

**TO:** Honorable City Council

**FROM:** City Manager

**SUBJECT:** CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE APPROVING GENERAL PLAN AMENDMENT NO. 21-01; AN ORDINANCE OF THE CITY OF COMMERCE (A) ADOPTING SPECIFIC PLAN No. 21-01, (B) ADOPTING ZONE CHANGE 21-01, INCLUDING AMENDMENTS TO TITLE 19 (“ZONING”) OF THE COMMERCE MUNICIPAL CODE TO REVISE SECTION 19.05.010 ZONES ESTABLISHED, ESTABLISH A NEW SECTION 19.16 SPECIFIC PLANS, AND REVISE SECTION 19.25.140 OFF-SITE SIGNS PERMITTED WITH RESTRICTIONS, AND AN ASSOCIATED AMENDMENT TO THE ZONING MAP OF THE CITY OF COMMERCE, (C) AND APPROVING DEVELOPMENT AGREEMENT NO. (TBD); AND INDEPENDENT CONSIDERATION AND FINAL ACTION BY THE CITY COUNCIL ON SITE PLAN NO. 997, MASTER SIGN PLAN, AND VESTING TENTATIVE TRACT MAP NO. 83334, AND TO CERTIFY ENVIRONMENTAL IMPACT REPORT (SCH# 2019080312), APPROVED AND CERTIFIED BY THE PLANNING COMMISSION ON JANUARY 19, 2022.

**MEETING DATE:** February 8, 2022

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### **RECOMMENDATION:**

1. Conduct a public hearing and adopt a Resolution (a) certifying the Final Environmental Impact Report (SCH# 2019080312) for the Modelo Project as adequate and complete; (b) adopting Findings of Facts per Public Resources Code Section 20181(a); (c) adopting a Statement of Overriding Considerations; (d) adopting the Mitigation Monitoring and Reporting Program; and (e) approving Site Plan No. 997 Review, Master Sign Plan, and Vesting Tentative Tract Map No. 83334;
2. Conduct a public hearing, first reading, ready by title only, and introduction of an Ordinance to (a) adopt Specific Plan No. 21-01, (b) adopt Zone Change 21-01, consisting of amendments to Title 19 of the CMC (“Zoning”) to revise Section 19.05.010 Zones Established, establish a new Section 19.16, Specific Plans, and revise Section 19.25.140, Off-Site Signs Permitted with Restrictions, and an associated amendment to the Zoning Map to designate the site of the Modelo Specific Plan (Specific Plan No. 21-01), and (c) approve a Development Agreement associated with the Modelo Project;

3. Adopt a Resolution approving General Plan Amendment No. 21-01, consisting of (a) an amendment to the City's Official General Plan Land Use Map in order to implement the Modelo Specific Plan for the properties located at 7316 Gage Avenue and 6364 Zindell Avenue in the City of Commerce, and (b) a corresponding amendment to the General Plan Land Use Element Text, Section 3.5.2, Table 3-1, and Table 3-2 to implement the change to the Land Use Map;
4. Direct staff to assign a number for the adopted Ordinance and Development Agreement; and
5. Authorize the Mayor to execute the Development Agreement and any other agreements necessary to implement the Modelo Project.

### **EXECUTIVE SUMMARY:**

The proposed Project involves the demolition of the existing Veterans Memorial Park located at 6364 Zindell Avenue, and an adjacent vacant parcel at 7316 E. Gage Avenue (collectively, the "Project Site"), and the redevelopment of the Project Site to accommodate a mixed-use residential development. The proposed Project would include the construction of up to 850 residential units, up to 165,000 square feet of commercial uses, a new public community center and museum, and approximately five acres of park and open space. Additionally, due to the previous use of the Project Site as a landfill, the Project will include the remediation of the entire Project Site to allow for safe implementation of the Project and will consist of excavating the impacted soil pursuant to a Remedial Action Plan overseen by the Los Angeles Regional Water Quality Control Board (RWQCB). As part of its consideration of the Project, the City Council will consider the following requests: A Development Agreement; a Specific Plan to establish the uses and development standards for the Project Site; General Plan Amendment to reflect the new Specific Plan; associated Zone Change, Title 19 (Zoning) text amendment, and Zoning Map amendment to reflect the new Specific Plan; Site Plan No. 997 Review; Master Sign Plan; Vesting Tentative Tract Map No. 83334; Final Environmental Impact Report ("EIR"); Findings of Fact per Public Resources Code Section 20181(a); Statement of Overriding Considerations for the EIR; and a Mitigation Monitoring and Reporting Program.

Lastly, the City Council will also need to consider classifying the City's property at 6364 Zindell Avenue as Exempt Surplus Land and that the proposed land exchange is therefore exempt from the Surplus Land Act in accordance with Government Code Section 54221(f)(1)(C). The Surplus Land Act, Government Code Section 54221(b)(1), requires that a formal action to determine that City property is Exempt Surplus Land must be taken at a regular public meeting of the City Council. For that reason, this action will be considered at the next regular City Council meeting, anticipated to occur on February 8, 2022.

### **PLANNING COMMISSION ACTION OF JANUARY 19, 2022:**

On the evening of January 19, 2022, all five members of the Planning Commission convened via a special ZOOM PC Meeting to consider the Modelo Project. At that hearing, the Director of Economic Development and Planning, in conjunction with Comstock Gage LLC ("Comstock" or the "Applicant") and their team gave a presentation to

over 80 participants. During the presentation, staff presented information, including a revised Planning Commission resolution, as well as refined/modified conditions of approval. Following the presentation, members of the Planning Commission were given an opportunity to ask questions of staff and the Applicant. Questions included, but were not limited to, traffic/noise concerns resulting from the Project. Other concerns were related to the availability of City facilities during the proposed construction of Modelo, as well as a discussion regarding construction hours of operations. Thereafter, public testimony was received. A substantial portion of the evening's public comment period was devoted to the Members of the Local Laborers' International Union of North America ("LUINA") Union, who were all in full support of the Project.

Following the conclusion of public testimony, members of the Planning Commission were given an opportunity to discuss any additional project concerns, comments, or ask additional questions. Questions during this dialogue, resulted in the Director of Economic Development and Planning receiving direction to review and discuss with the Council a tiered program to generate affordable housing within the Modelo Project. This was not imposed as a condition of approval, but rather a directive for the director to bring the topic to the City Council's attention at its February 8, 2022.

In its decision, and on a 4-1 vote, the Planning Commission accepted the revised Planning Commission Resolution with revised conditions of approval and: 1) adopted a resolution recommending that the City Council approve Specific Plan 21-01, Zone Change 21-01, General Plan Amendment 21-01, and a Development Agreement; 2) considered and certified the Final Environmental Impact Report (SCH# 2019080312), for the Modelo Project as adequate and complete; 3) adopted Findings of Facts per Public Resources Code 20181(a), a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program for the EIR; and (4) approved Site Plan Review No. 997, Master Sign Plan, and Vesting Tentative Tract Map No. 83334.

Though the Planning Commission at its meeting on January 19, 2022 took action on the EIR, Site Plan Review No. 997, Master Sign Plan, and Vesting Tentative Tract Map No. 83334, the City Council will independently consider and take final action on these entitlements and the EIR at its meeting on February 8, 2022. The Modelo Project is a legacy project and the largest single project in the City's history that will help significantly cement the City as an emerging regional destination with a variety of housing types, entertainment, retail, and civic opportunities. Due to the importance of the Modelo Project and its lasting impact on the City, it is appropriate that the final action on the Project be taken by the City's legislative and policy-making body (the City Council), and the City Council desires that the public have an opportunity to comment on the entirety of the Project together by consolidating all entitlements before the City Council. Pursuant to City of Commerce Municipal Code Section 19.39.090, the City Council, as the highest level review for any of the Project entitlements, has the authority to hear and take action on all of the Project's entitlements.

*Land Use, Zoning, and Applicable Regulations:*

<b>Project Site</b>	
General Plan Designation:	Low Density Residential/Public Facilities/Commercial Manufacturing
Zoning:	PF, and C/M1
Applicable Zoning Regulations:	Commerce Municipal Code (CMC) Chapter 19.09, Commercial Zone; CMC Chapter 19.11, Manufacturing Zones; Development Agreements pursuant to California Government Code Sections 65864-65869.5; Chapter 19.39, Division 5, Change of Zone and Zoning Ordinance Text Amendments; CMC Section 19.25.130, Master Sign Plan; CMC 19.39.980, Specific Plans, CMC Chapter 19.19, Development Standards, Section 18.01, LA County Subdivision Ordinance.

*Surrounding Zoning and Land Uses:*

<b>Direction</b>	<b>Zoning</b>	<b>Land Use</b>
North	M-1	Light Manufacturing
South	LA Flood Control	Rio-Hondo
East	Caltrans	Interstate Five ("I-5")
West	R-3	Medium Multiple Residential

*Property Description and Neighborhood Characteristics:*

The Project Site is generally situated in the southernmost portion of the City of Commerce. It is adjacent to the communities of Bell Gardens, Downey, Montebello, and Pico Rivera. It is directly adjacent to, and within proximity of Interstate Five ("I-5"). Zindell Avenue is the primary point of access to the site, although a smaller access road at the northernmost portion of the site provides access to Gage Avenue.

The Project Site is comprised of two contiguous sites and in combination, measure approximately 17.5 acres in size. The first parcel, which is addressed as 7316 Gage Avenue (red parcel below), is a vacant undeveloped lot measuring approximately eight acres. The second site, which is addressed as 6364 Zindell Street (green parcel below) measures approximately 9.4 acres and is the site of the Veterans Memorial Park. The Project Site is directly adjacent to the crossing of the I-5 Freeway and the Rio Hondo channel within the City of Commerce. To facilitate the development, the existing Veteran Park Area will be demolished and incorporated in a different form but still as a public park into the total Project Site to allow for the Development of the Modelo Project.



*Background:*

In February 2019, the Applicant and the City of Commerce entered into an Exclusive Negotiation Agreement (“ENA”) to table the appeal of a previous industrial warehouse project at 7316 East Gage Avenue in order to pursue a collaborative mixed-use project between the Applicant and the City of Commerce. The information to be discussed herein is the culmination of those discussions.

The Project Site was previously utilized as landfills between the years of 1948 through 1954. These landfills served the general area, including the construction of the modern-day Interstate-5 Freeway that is adjacent to the subject site. Thereafter, the site was covered/topped and between 1965 and 1970 one portion of the site was developed to become Veterans Memorial Park, which included the following amenities: a community center, a baseball diamond, basketball courts and a variety of other outdoor recreational activities. The second parcel has been vacant since 1988 following the demolition of a large industrial building that was once on that portion of the Project Site. The vacant lot currently consists of sparse emergent scrub and is relatively flat in nature, some settlement has occurred in areas due to the addition of the topsoil over the years.

As part of the 2019 ENA discussions, the City of Commerce received a development application from Comstock proposing a mixed use development that would include the incorporation of a new park, open space, community, residential and commercial uses.

As proposed, the vision is to create a welcoming and open urban village development that will enhance the City by providing an attractive, symbiotic lifestyle center for residents as well as draw visitors to the public and entertainment spaces within the site. The move towards an urban recreation destination includes open, sustainable, and green public spaces, a youth sports complex, all-inclusive playground and multiple entertainment and retail opportunities. Enhancement of adjacent transit connections, high quality living accommodations along with ample parking will create a vibrant, forward thinking community that is a desirable location for people to “Live, Work and Play.” Additional amenities include an exterior amphitheater showcasing local talent and performances, connectivity to the adjacent Rio Hondo trail and recreation area and the development of a close knit community will make the Project a unique destination and place to call home.

Comstock anticipates that the Project will become a legacy project featuring a community destination intended to attract and instill a sense of pride and belonging. Because the Project will be within the City of Commerce, which is also known as the Model City, the Project therefore has been named *Modelo*, the Spanish word for Model.



### *Design and General Layout of Site*

Modelo has been designed by Los Angeles-based Tighe (tie-guh) Architects to incorporate historical elements of design from Latin American architecture and landscape into a contemporary “model” for 21st Century living in Southern California. Expansive lawns, geometrically sliced with inviting walking paths; lush, sunken playing fields, as well as a stepped amphitheater and open retail promenade with arcade-like openings, all combine to make the Latin-American influenced design created by a nearly all-Latin-American architecture design team.

Tall retail and community center buildings were carefully situated along the easternmost portion of the site against Interstate Five Freeway in order to provide a noise buffer resulting from the freeway. Those buildings will then open up onto a vast open space/green sports field and park-like setting for the rest of the Project.

Grocery, restaurants and entertainment spaces encompass the retail building and encircle the amphitheater, just below the architecturally iconic Art of the Americas museum building, which is intended to provide a “town center” atmosphere for Modelo.

Beyond the open space area will be a series of apartment towers with an urban rhythm and plentiful amenities such as pools, wellness rooms, social lounges, game rooms, and business centers. These buildings will begin to dot the landscape as you move westward

from the park and amphitheater. Residential buildings become more family-oriented and in quiet garden-settings as you move west in the Project, culminating at the for-sale condominiums and townhomes along the western edge of the Project.

Decorative light standards with ambient music, low-energy light fixtures, decorative art, and signs are placed throughout the Project to create a safe, inviting and friendly environment. An open sidewalk-café-retail environment on the “Main Street” artery of the Project invites residents and visitors to socialize and mingle throughout the day. Indigenous and Art of the Americas as public art is sprinkled throughout the Project and curated by the Modelo Museum staff.

More than 2,200 subterranean and structure-focused parking spaces are intended to keep vehicle roads to a minimum, while encouraging alternative modes of transportation through the use of pedestrian and bicycle pathways. Other alternative modes include the strategic placement of public transportation and ride-share drop-off and pick-up areas as well as the integration of EV charging stations that will be made available both at below and above-ground designated locations for visitors and residents. To minimize traffic congestion, the site will be served by two primary points of egress and ingress. First, retail and park-related vehicular traffic will be routed along the Slauson Avenue driveway, which is located at the easternmost portion of the site, and accessed via a small road that is currently used by patrons of the adjacent hotel and Denny’s restaurant. Future plans include an ongoing dialogue with BNSF about possibly punching a new road out onto Slauson Avenue, or possibly Telegraph Road. These talks are in the preliminary phase, and there is still ongoing dialogue that needs to take place. Future residents of Modelo will access the site via an existing entrance that is accessed currently by patrons of Veterans Memorial Park via Zindell Avenue. A service road that is currently along Kuhl Drive will remain in place and will solely be used for emergency services.

As mentioned in the intro, the Project Site was previously two landfills and therefore full remediation of the site is required in order to redevelop and rebuild the site.

The remediation will entail the removal of the impacted soil at the Project site to between 20-25 feet in depth to leave a clean site. The remediation will include all of the landfill waste material under the Project Site. This will produce approximately 477,000 cubic yards of soil and debris that will have to be cleared from the site. The process to remediate the Project area is anticipated to take between 12 to 18 months. As part of this process, staff will be required to work with the Applicant to determine approximate truck haul routes, number of trips, and interval between trips. This is memorialized as a condition of approval.

### Surplus Land Act

The California Surplus Land Act (Government Code Section 54220, *et seq.*) (“SLA”) currently requires local agencies, prior to disposing of surplus public property, classify the property as either “surplus land” or “exempt surplus land,” and, in some cases, to offer to sell or lease that property to certain entities for specified uses, including affordable housing, parks and recreation, and schools uses, prior to disposing of the property. Property which has been classified as “exempt surplus land” may be disposed through less restrictive procedures, allowing the City more discretion in the choice of prospective

developers. In order to implement the Modelo Project as discussed in this report, staff will be exchanging a portion of the existing Veterans Memorial Park site located at 6364 Zindell Street, with a portion of the adjacent vacant parcel at 7316 E. Gage Avenue.

Per Government Code, § 54221(f)(1)(C), a local agency (City of Commerce) may exchange property which is necessary for the agency's use, and deem it "exempt" if for example, the City is engaging in the exchange of land in order to acquire a property necessary for its use. Here, as conditions of approval for the Modelo Project, Comstock will, at Comstock's expense, remediate the property to be acquired by the City; Comstock will develop, and contribute \$12,000,000 towards the development costs of, the City's newly-acquired property with a new public community center, sports fields, open space and other publicly accessible amenities, including walking and bicycle paths; Comstock will construct the necessary onsite and offsite infrastructure for operation of the City's new parcel; and Comstock will develop and landscape the Modelo Project so that the Project Site appears as a unified development with seamless transitions between the public and private spaces. The existing property owned by the City is unsuitable for such scale of development of these community amenities due to the prohibitive cost involved with remediating the former landfills and constructing new community amenities of thereon. The City is therefore exchanging parcels with Comstock as part of the Modelo Project in order to realize these community benefits described.

In order to use the Section 54221(f)(1)(C) exemption from the SLA to avoid having to first notify and offer the property to specific housing developers, the City Council must find, at a public hearing, that the property is "exempt surplus land." After the Council adopts the findings, the City must then send a copy of the findings to California Department of Housing and Community Development ("HCD") at least 30 days prior to the disposition itself (i.e., in this case, executing the land exchange agreement).

To satisfy the SLA, the City Council will consider the exchange of land associated with the Modelo Project to be exempt from the SLA, for reasons discussed herein. As noted previously, the Surplus Land Act, Government Code Section 54221(b)(1), requires that a formal action to determine that City property is Exempt Surplus Land must be taken at a regular public meeting of the City Council. For that reason, this action will be considered at a future regular City Council meeting, anticipated to occur on February 8, 2022.

## **REQUESTED ACTIONS AND ENTITLEMENTS**

### Zone Change and General Plan Amendment

The proposal encompasses two contiguous sites addressed as 7316 Gage Avenue, and 6364 Zindell Avenue. These parcels consist of a vacant piece of land formerly used for industrial purposes and zoned accordingly, while the latter is the site of the current Veterans Memorial Park, and zoned Public Facility Land Use. The zoning over the existing parcels address existing conditions occurring within each of the respective lots. The proposed Modelo Project is proposed over the newly consolidated parcels and will require an updated Zoning designation in order to address the proposed uses that are to occur over the Project Site. Therefore, in order to use both sites as proposed herein, a Zone Change and General Plan Amendment with corresponding map amendments will be required to change the land use designation from Residential, Public Facilities and

Commercial Manufacturing to Modelo Specific Plan and a corresponding change of zone from C/M-1 (Commercial Manufacturing) and PF (Public Facility) to Modelo Specific Plan Zone (Attachment D).

Continuing on, Chapter 19.39.270 recognizes that physical, economic, and other conditions in the City may change over time, and therefore, provides for provisions to allow for amendments to the zoning map in accordance with the procedures as outlined in this section of the Code. All such changes of zone have to be adopted in the manner in which other city ordinances are adopted. When considering a Zone Change, a General Plan Amendment in compliance with Chapter 19.39.350 shall also be considered. Thereafter the decision-maker must consider the proposal, receive evidence as to how or why the proposed General Plan amendment is consistent with the objectives of Title 19, the balance of the General Plan, and development policies of the City. Upon reviewing that information, the Planning Commission by resolution can recommend an action to the City Council.

As stated herein, the requested Zone Change, Zoning Map amendment, and General Plan amendment are necessary in order to allow for the coexistence of both public and private uses within the proposed Modelo Specific Plan. This type of development is unique in that it would be the first in the City of Commerce. Although the City's General Plan encourages Mixed-use, it has yet to identify any possible areas within the City where a considerable mixed use development could co-exist with other existing uses.

Further, in setting forth a vision for the City's future, the Commerce General Plan takes into account and encourages the creation of housing stock, add commercial opportunities, as well as encourage mixed use opportunities where feasible. In this case, General Plan Amendment No. 21-01 and corresponding Zone Change 21-01 would allow for the creation of the Modelo Specific Plan, which will be a pillar project for the City. In its analysis, it was determined by staff that the proposed request supports the following General Plan policies:

- Community Development Policy 1.3. The City of Commerce will continue to implement specific standards for new commercial developments located adjacent to residential neighborhoods in order to ensure that adequate buffers are provided so that negative impacts such as noise, light pollution, truck use, and traffic may be mitigate;
- Community Development Policy 2.2. The City of Commerce will encourage and promote the development of quality restaurants in the city to serve residents and visitors alike, and discourage the further proliferation of fast-food restaurants in the city;
- Community Development Policy 2.5. The City of Commerce will explore the feasibility of constructing a supermarket to serve those portions of the city south of the Santa Ana Freeway;
- Community Development Policy 4.1. The City of Commerce will explore the feasibility of developing an area devoted to active family recreation;
- Community Development Policy 4.2. The City of Commerce will promote the development of commercial enterprises that provide family entertainment;
- Community Development Policy 5.1. The City of Commerce will promote the development of new housing for all income groups;
- Community Development Policy 5.2. The City of Commerce will continue to explore new opportunities for housing and services to meet the needs of the labor force, and as a means to attract new business and industry to the city;

- Community Development Policy 6.1. The City of Commerce will promote the creation of area themes” to enhance the city’s living and working environment;
- Community Development Policy 6.3. The City of Commerce will require new commercial industrial development to employ architectural and site design techniques that will promote quality and efficient development;
- Housing Policy 1.5. The City of Commerce will explore opportunities for new residential development within those areas of the city occupied by vacant, obsolete commercial and industrial uses.

### Specific Plan

As stated in the introduction to this report, the proposal consists of the development of two contiguous sites and in combination, measure approximately 17.5 acres in size. The first parcel, addressed as 7316 Gage Avenue, is a vacant undeveloped lot measuring 7.9 acres with a zoning designation intended to allow for light industrial uses. The City site, addressed as 6364 Zindell Avenue, is developed as Veterans Memorial Park, and measures approximately 9.4 acres in size. It is zoned for Public Facility uses such as Veterans Memorial Park. As proposed, the combined site and zoning to be implemented would allow for both uses to coexist over the newly created site. But in order for this to occur, a Specific Plan would serve as an all-encompassing land use plan that covers all of the uses envisioned for the project site.

Per Chapter 19.39.980 of the Zoning Code, the City recognizes that certain parcels in Commerce may benefit from focused planning efforts whereby infrastructure, land use relationships, land use intensities, and public service needs can be carefully examined and planned in a comprehensive manner with a Specific Plan. More specifically, a specific plan is a zoning tool used for the systematic implementation of a City’s General Plan. It effectively establishes a link between implementing policies of the General Plan and the individual development proposals in a defined area. A Specific Plan may be as general as setting forth broad policy concepts, or as detailed as providing direction to every facet of development from the type, location and intensity of uses to the design and capacity of infrastructure, from the resources used to finance public improvements, and the design guidelines of a subdivision. Through the specific plan process, staff will be able to effectively implement selected long term General Plan objectives in a short time frame. The developments standards to be set forth, will allow the Applicant to develop a unique project where existing land use regulations have the potential to hinder or limit the creativity being considered as part of the proposal.

The intent of the Modelo Specific Plan is to create an urban village development that will enhance the City and provide an attractive, symbiotic lifestyle for residents as well as draw visitors to the public and entertainment spaces within the site. To achieve this, the proposal includes a mix of up to 850 residential units consisting of studios, one through three bedroom apartments, and for-sale condos and townhomes. Of the apartments, there will be 100 studio units with an average size of 550 square feet, as well as 269 one-bedroom units measuring 715 square feet. In addition, a total of 329 two-bedroom units measuring 935 square feet and 42 three-bedroom units will be provided measuring an average of 1,080 square feet. To round off the unit count, there will be up to 55 townhomes and up to 55 for sale condominiums, the sizes of these units are yet to be

determined. Of the total of up to 850 units to be built, up to 110 units will be offered as for-sale units.

Because Comstock is proposing a lifestyle center, the amenities provided include commercial uses. In this case, a maximum of 165,000 square feet of commercial space will be split between multiple uses that include a cinema and food hall to retail centers (34,353 sq.ft), a gym, museum (6,990 sq.ft), pharmacy (5,249 sq.ft), restaurants, and a high end grocery (15,035 sq.ft). The Applicant envisions residents of Modelo and those nearby will be capable of fulfilling most if not all of their daily living needs within the existing Modelo community as proposed herein. Both retail and commercial space will be located within the main commercial complex as well as along the main street. As mentioned already, the General Plan envisions and encourages Mixed Use Development, unfortunately, there are no standards in the existing Zoning Code that would allow for this development.

In this case, the Specific Plan will allow for the coexistence of both public and private space all under one major site. This form of development is innovative and cutting-edge. Use of the baseline development standards of the Zoning Code would not allow for this development. Therefore, this project requires an innovative tool such as a Specific Plan in order to tailor development standards in order to achieve a specific vision for the project area.

### Development Agreement

Government Code Government Sections 65864-65869.5 sets forth rules and regulations where any city and county may enter into a development agreement (“DA”) with any person having a legal or equitable interest in real property for the development of said property. The DA process gives assurance to an applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval. The process typically strengthens the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development. In short, the DA process is similar to an agreement/contract between both parties, where certain milestones must be achieved, address any deviations that may exist as part of the proposal/construction, and provide for certain protection in the event of an unforeseeable situation.

In this case, and since the signing of the ENA, the City has been working towards a DA (ATTACHMENT G) with the Applicant. For the City of Commerce, staff understands there are multiple variables that require close attention, and for which the City wants protection. For example, and as stated, the proposal includes the remediation of the Project Site. This will result in the demolition of the existing Veterans Memorial Park, which includes the community center and all surface improvements, a construction of a new, larger Community Center, sports field complex, and open parkland on the City’s new parcel. Here, staff at minimum wants to get assurance that the City will not be subject to overseeing a vacant, possibly hazardous condition if construction is to cease as a result of any unforeseeable conditions, such as a funding shortfall.

Through the DA process, staff has carefully worked with the Applicant to make sure, that in no event, will the City of Commerce be left with an empty, half-improved parcel, resulting from incomplete remediation or construction. More specifically, staff has asked the Applicant 1) to provide bonds and protections to ensure that no matter what happens, the site will be remediated; 2) to commit that the Community Element, which includes the re-envisioned Veterans Memorial Park and its amenities/building, will be prioritized and completed within an accelerated period of time after the issuance of building permits; and 3) to contribute \$12 million towards the cost of the Community Element.

Last, other signature items included in the DA include: 1) capping the dollar amount of damages the Applicant may seek from the City in the event of a lawsuit; 2) prior to the City issuing a building permit for the Parking Structure, Applicant shall deliver to the City a letter of credit in the sum of five million dollars (\$5,000,000), issued by a commercial lending institution and in a form acceptable to the City, which designates the City as beneficiary. The Letter of Credit is intended to provide the City a mechanism to draw on the Letter of Credit, in whole or part, during its term in the event the Applicant ceases construction on a vertical improvement for more than twelve (12) months or to return the unfinished vertical improvement to a safe condition, including by completing the unfinished improvement, securing it, or demolishing it and returning it to rough grade.

#### Attainable Housing/Rental

Attainable Housing can loosely be defined as subsidized or a partially subsidized type of housing product. Attainability is being used in recognition that housing needs go beyond a sole focus of affordability. In an effort to encourage the creation of attainable housing at Modelo, the applicant has agreed to contribute \$5,000,000 towards a rental subsidy and first time homebuyer program.

The rental units that are proposed as part of Modelo, will be set aside for the rent subsidy as follows:

- 8% of the for-rent units existing within the Project for years one through five (1-5) starting at issuance of the Project's first certificate of occupancy for rental units;
- 6% of the for-rent units existing within the Project for years six through ten (6-10) starting at issuance of the Project's first certificate of occupancy for rental units;
- 4% of the for-rent units existing within the Project for years eleven through twenty (11-20) starting at issuance of the Project's first certificate of occupancy for rental units.

#### Environmental Impact Report

An EIR is the public document used by the governmental agency to analyze the significant environmental effects of a proposed project, to identify alternatives, and to disclose possible ways to reduce or avoid the possible environmental damage pursuant to the California Environmental Quality Act (CEQA). An EIR is prepared when the public agency finds substantial evidence that the project may have a significant effect on the environment. A significant effect on the environment is defined as a substantial adverse change in the physical conditions which exist in the area affected by the proposed project. Further, when an EIR identifies a significant effect, the government agency approving the

project must make findings on whether the adverse environmental effects have been substantially reduced or if not, why not.

A Draft EIR was prepared for the proposed Project to assess potential environmental impacts and was made available and circulated for public review and comment, pursuant to the provisions of CEQA. It also examined environmental impacts for alternatives to the proposed Project, as required by CEQA. The document was available for public comment for a 45-day public review period from July 16, 2020 to August 31, 2020. During this review, written comments were received from four public agencies and fifteen other interested entities.

The environmental document, the comments received, and the responses to those comments comprise the Final EIR. The proposed Project is expected to result in significant and unavoidable impacts related to air quality and noise.

The comment letters and the Lead Agency's responses are included in Chapter 2, Response to Comments of the Final EIR (ATTACHMENT K) as required by CEQA Guidelines sections 15088 and 15132. The Final EIR was completed and the City's responses to comments were made available for review on November 19, 2021.

For purposes of CEQA and the findings set forth below, the administrative record of the City's decision concerning certification of the Final EIR for the Project will include the following:

- The Draft EIR including the appendices (dated July 2020);
- The Final EIR including new or revised appendices (dated November 2021);
- All documents and other materials listed as references and/or incorporated by reference in the Draft EIR and Final EIR;
- All reports, applications, memoranda, maps, letters, and other documents prepared by the City's staff and consultants for the Project which are before the City Council as determined by the Clerk;
- All documents or other materials submitted by interested persons and public agencies in connection with the Draft EIR and the Final EIR;
- The minutes, tape recordings, and verbatim transcripts, if any, of the public hearings held by the Planning Commission and the City Council concerning the Final EIR and the Project; and
- Matters of common knowledge to the City, including but not limited to the Commerce General Plan.

CEQA requires the decision making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered acceptable. When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or

other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

No public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

- a) The public agency makes one or more of the following findings with respect to each significant effect:
  - (1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
  - (2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
  - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.
- b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

While many of the potential environmental impacts of the subject project were determined to be less than significant with or without mitigation, in the areas of air quality and noise, there are instances where the environmental impacts would remain significant and unavoidable, even after mitigation. These instances are shown below and further detailed in the attached Findings of Facts and Statement of Overriding Considerations (ATTACHMENT L).

*Air Quality Impacts.* The EIR determined that the proposed Project would contribute to local population and employment growth that is not anticipated for the Project site in the existing General Plan, the proposed Project is not accounted for in the State Implementation Plan and the Regional Air Quality Standards, and the proposed Project potentially would not be consistent with local air quality plans. Therefore, the mass daily construction-related impacts associated with the proposed Project would be significant and unavoidable at this time.

*Noise Impacts.* Along Zindell Avenue, the Project would result in an increase of 7 decibels community noise equivalent level, both in the existing plus project scenario and in the 2040 plus project scenario. Project-related traffic noise increases along Zindell Avenue, are therefore, considered potentially significant. While MM-NOI-4 would help ensure that interior noise levels created by Project traffic are not increased inside residences located along Zindell Avenue, the City is not able to ensure acceptance/compliance of the window upgrade offer by property owners along Zindell Avenue. For that reason, noise level

increases for residences along Zindell Avenue remained potentially significant and unavoidable.

As a result of these two significant and unavoidable impacts, the City Council will be required to consider and approve a Statement of Overriding Considerations, pursuant to Public Resources Code sections 21002 and 21081(b) and CEQA Guidelines Section 15093, which state in writing, based on the EIR and/or other information in the administrative record, the specific reasons to support the Project despite the significant and unavoidable impacts.

As set forth in ATTACHMENT L, the following are considered in the Statement of Overriding Considerations:

- 1. Provide a mixed-use livable community.** The Project's vibrant mix of residential, commercial, entertainment, and community uses, together with its public, pedestrian-focused ground floor spaces, will create an integrated urban village for residents and workplace tenants where one works, lives and plays, while also creating an authentic, connected place for the larger south and east Los Angeles communities. The Project includes the construction of up to 850 residential units, consisting of a mix of apartment and for-sale townhomes and condominiums. The residential uses shall be adjacent to and integrated with up to 165,000 square feet of new commercial, retail, and entertainment uses, which are anticipated to include a cinema, gym, museum, pharmacy, restaurants, high end grocery, and other general retail uses. There is currently a shortage of these fundamental neighborhood-serving uses in the City, and the Project provides a future where new and existing nearby residents will be able to fulfill most, if not all, of their daily needs without leaving the community. The Project also includes over five acres of public amenities, including a new, state of the art community center to replace the outdated and decommissioned community center building in Veterans Park, public parkland, open space, walking and bike paths, sports fields, a playground, public plaza, pedestrian avenue, and an outdoor venue space, thereby furthering the land use, economic development and urban design objectives of the General Plan's Community Development, Housing and Resource Management Elements;
- 2. Remediation of a former landfill site despite significant development constraints.** The Project site has faced numerous hardships and constraints limiting its redevelopment, including its unique shape and location between the I-5 freeway and Rio Hondo Channel, its history as a former landfill that requires remediation before unlimited uses are permitted, and its multiple ownerships, which make coordinating remediation and redevelopment challenging. Before developing the site for residential, commercial, and community uses, the Project Applicant, at its sole cost, will remove all waste and impacted soil associated with former landfill operations and the Applicant will implement a remedial action plan under the supervision of the Los Angeles Regional Water Quality Control Board (RWQCB). Specifically, the remediation process will involve the excavation and removal of all former landfill debris and contaminated soils to an approximately 20-foot depth. Approximately 477,000 cubic yards (cy) of potentially contaminated soil would be transferred to a RWQCB-approved landfill site in Southern California. Upon removal, the Project's soil-bottoms and sidewalls would be tested to ensure all contaminants and debris have been removed. The City does not

have the funds or other means to perform the required remediation, and, even if it did, it would not be able to remediate the areas of the Project site under private ownership. The Project, therefore, will result in the complete remediation, at no cost to the City, of the entire 17.47-acre site. Absent these efforts, the site would otherwise remain underutilized and blighted.

The Project Applicant also will engage in ongoing monitoring to ensure Project construction and operation do not result in any adverse impact on regional and local groundwater, thereby ensuring the safety of water resources for the City and the surrounding communities;

- 3. Provide a range of housing opportunities.** The California state legislature has found that California has a housing supply and affordability crisis of historic proportions, and that the lack of supply and rising costs are compounding inequality and limiting advancement opportunities for many Californians. (Government Code, § 65589.5(a)(1).) The legislature has further found that California has accumulated an unmet housing backlog of nearly 2,000,000 units and must provide for at least 180,000 new units annually to keep pace with growth through 2025. (Ibid.) Against that backdrop, the California Department of Housing and Community Development determined, as part of its 6th Cycle Regional Housing Needs Assessment (RHNA), that the City needs to provide 247 new housing units, including 131 above-moderate income units. This is in addition to the unmet allocation of 11 above-moderate income units from the 2014-2021 RHNA allocation. The Project will include the construction of 850 new residential units, consisting of a mix of studio, one-bedroom, two-bedroom, and three-bedroom apartments, as well as for-sale townhomes and condominiums. The new residences will be available at a variety of price points, which will help the City address the ongoing statewide housing crisis and will fulfill and surpass the City's RHNA requirement for the 6th Cycle, in compliance with the following General Plan policies:

*Community Development Element, Policy 5.1.* The City of Commerce will promote the development of new housing for all income groups.

*Community Development Element, Policy 5.2.* The City of Commerce will continue to explore new opportunities for housing and services to meet the needs of the labor force, and as a means to attract new business and industry to the city.

*Housing Element Policy 2.3.* Explore opportunities for new residential development within those areas of the City occupied by vacant, obsolete commercial and industrial uses.

*Housing Element Policy 5.1.* Provide a range of residential development types in Commerce, including low density single-family homes, moderate density townhomes, higher density multi-family units, and residential/commercial mixed use in order to address the City's share of regional housing needs.;

- 4. Establish new and updated recreational opportunities.** The Project will replace an outdated and decommissioned community center building with a new and contemporary Community Center, which will provide diverse programming space for the City's Department of Parks & Recreation. The new Community Center's spaces may include indoor sports facilities and offices, a library, and a ballroom/event space as well as supporting amenities such as offices, restrooms, and lobbies.

In addition, the Project will enhance Veterans Memorial Park with a new multi-purpose Sports Complex immediately adjacent to the new Community Center that can host soccer, baseball and other youth sports; provide a new Veterans Plaza that can accommodate community events, civic celebrations and day-to-day community interaction; and create a new outdoor grass-stepped amphitheater with concrete bench steps to separate the Project's residential and commercial development. Moreover, the Project will include an outdoor splash pad and inclusive playground for children of all abilities and provide new open spaces areas for Project residents and visitors alike.

The Project Applicant will contribute \$12,000,000 towards the development costs of these new community amenities, in addition to funding the entire cost of the environmental remediation of the Project site, including the areas for these community amenities on the City-owned portion of the Project site, The City does not have the financial resources or capacity to develop new or enhance existing community facilities on the scale proposed by the Project without a public-private partnership such as the one with the Project Applicant.

The increased recreational amenities provided by the Project will help the City implement the following General Plan Resource Management Element policies:

*Policy 4.4.* The City of Commerce will review existing landscaping standards for public and private developments so as to increase the green space throughout the city.

*Policy 4.5.* The City of Commerce will require that at least five percent of the site area of all new commercial and industrial developments be landscaped.

*Policy 5.1.* The City of Commerce will maintain the existing park and recreational facilities to the extent that they can continue to provide residents with the best possible recreational opportunities.

*Policy 5.2.* The City of Commerce will strive to create more "green space" and recreational facilities that will accommodate skateboarding, roller hockey, and field soccer programming.

*Policy 5.3.* The City of Commerce will continue to upgrade existing facilities to improve park appearance and utility.

*Policy 5.4.* The City of Commerce will expand Veterans Park and Bristow Park to include such facilities as soccer fields and basketball courts.

*Policy 5.7.* The City of Commerce will continue to assess the recreational program needs of the city's residents, and establish guidelines to respond to those needs.

*Policy 5.11.* The City of Commerce will identify new funding sources to provide recreational improvements and services in the city.

*Policy 6.1.* The City of Commerce will strive to ensure that park and open space is preserved and maintained for the use of existing and future residents of the city;

5. **Increase the amount of commercial retail space in the City.** The Project's 165,000 square feet of commercial development will include a variety of retail and entertainment uses, which are anticipated to include a cinema, gym, museum, pharmacy, restaurants, high end grocery, and other general retail uses. There is currently a shortage of these fundamental neighborhood-serving uses in the City, and the Project provides a future where new and existing nearby residents will be able to fulfill most, if not all, of their daily needs without leaving the community. Development of these needed amenities will help the City implement the following General Plan Community Development Element policies:

*Policy 2.2.* The city of Commerce will encourage and promote the development of quality restaurants in the city to serve residents and visitors alike, and discourage the further proliferation of fast-food restaurants in the city.

*Policy 2.3.* The city of Commerce will promote the development of larger, more efficient, commercial retail shopping centers as opposed to smaller "strip commercial" centers.

*Policy 2.5.* The city of Commerce will explore the feasibility of constructing a supermarket to serve those portions of the city south of the Santa Ana Freeway.

*Policy 4.1.* The city of Commerce will explore the feasibility of developing an area devoted to active family recreation.

*Policy 4.2.* The city of Commerce will promote the development of commercial enterprises that provide family entertainment.

The commercial component would provide walkable options for the Project's adjacent residents and attract visitors from the City and surrounding communities. Importantly, a new grocery store, pharmacy and restaurants would provide services that are not currently available in the Project's immediate vicinity;

- 6. Improve the City's public infrastructure.** The Project includes a number of on- and off-site infrastructure improvements throughout the Project's study area that the Applicant will construct or fund. The Project includes upgrades and installation of new infrastructure that will improve the circulation network for the City. City buses and alternative transportation vehicles will be able to enter the site and a number of bus stops and ride hailing stops are already proposed. Multiple electric charging stations will be available throughout the site, both for the use of visitors and residents, with the goal of turning the Project into a neighborhood hub.

In the neighborhood surrounding the Project site, new traffic and intersection enhancements will reduce any potential burden caused by additional traffic and significantly improve existing traffic infrastructure. These traffic upgrades include a \$6 million-reconfiguration of the I-5 Southbound ramp at Slauson Avenue to improve traffic flow and turning movements at the major convergence of Gage Avenue, Slauson Avenue, and I-5. The Applicant also will reconfigure additional intersections along Telegraph Road, Slauson Avenue, and Gage Avenue to add new turn lanes and additional through lanes;

- 7. Increase tax revenue.** The Project's new retail and other commercial opportunities would substantially increase the sales tax revenue in the City, anticipated to be nearly \$47 million in the Project's first 34 years (4 years of construction plus 30 years of operations). The new housing stock would result in additional tax revenues from property taxes and property transfer taxes, anticipated to be over \$20 million in the Project's first 34 years. Redevelopment with private investment of an underutilized industrial site also would attract higher-end employers and new residents, increasing the City's property tax base;
- 8. Generate new employment opportunities.** The Project would create new short-term and long-term employment prospects in the City. Construction of the Project, which is expected to take approximately four years, is anticipated to generate approximately 4,701 construction-related jobs. The Project's commercial component is anticipated to generate at least 434 new permanent jobs on an annual basis. Permanent job

categories include retail, food and beverage, security, property maintenance (engineering, landscaping, waste management, etc.), property management, leasing and sales, and sports and entertainment (associated with the cinema and Community Center). Through construction contracts and tenant leases, the Project will foster the hiring of local residents and businesses for development and operation. The Project approvals incorporate mandatory construction and tenant local hire goals; and

9. **Provide a sustainable community.** One key intent of the Project is to create an environmentally sustainable community, which includes on- and off-site improvements, as well as power-saving, water-saving, and other enhancements to create a more healthy environment for its occupants, visitors and neighbors, and to qualify for a minimum of Silver-Leadership in Energy and Environmental Design (LEED) status. Notably, the first phase of the Project is to remove and remediate, at the Project Applicant's cost, the former landfill that currently underpins the entire Project site pursuant to a Los Angeles RWQCB approved Remedial Action Plan.

On-site sustainable initiatives include ultraviolet and sound-protective glass on all structures, grey-water reclamation throughout the Project site, stormwater retention and re-use for landscape irrigation, locally sourced native and riparian plantings, heat island reduction or total elimination, reflective and energy-efficient roof membranes, low-energy consumption building management systems, composting, organic waste generation, low-water use fixtures, motion-detect light and light emitting diode (LED) light fixtures, and the creation of natural habitats and ecosystems within the 17.47-acre Project site and the adjacent Los Angeles River tributary, the Rio Hondo spreading ground. Throughout the Project site, sustainable living walls and lush low-water usage landscapes will reduce ambient temperatures, absorb noise and vibrations, and photosynthetically produce oxygen to mitigate nearby pollution.

In addition, the Project would incorporate current conservation technologies and strategies to achieve local, state, and federal goals to address global climate change. In particular, the Project will enhance existing bus stops in the vicinity, connect the Project site to the existing Rio Hondo Bike Path, and provide a host of bike parking opportunities on-site. All of these amenities will help the City achieve its climate goals.

#### Mitigation Monitoring and Reporting Program

The California Environmental Quality Act (Section 15097) requires the City, when adopting an EIR, to take affirmative steps to determine that approved mitigation measures are implemented after project approval. The City of Commerce (City) as the lead agency must adopt a Mitigation Monitoring and Reporting Program (“MMRP”) for the mitigation measures incorporated into a project or included as conditions of approval. The program must be designed to ensure compliance with the EIR during project implementation (California Public Resources Code, Section 21081.6[a][1]).

The MMRP prepared for the Modelo Project, which is included as Attachment M to this report, is used by the City to ensure compliance with adopted mitigation measures identified in the EIR. The City, as the lead agency, will be responsible for ensuring that all mitigation measures are carried out. In this case, the EIR identified potentially significant environmental impacts to Air Quality, Biological Resources, Cultural Resources, Geology

and Soils, Hazards and Hazardous Materials, Noise, Transportation, and Tribal Cultural Resources. But through the implementation of 13 mitigation measures, corrective actions or mitigation is provided for each of these topics to reduce all but Air Quality and Noise to a level that is less than significant. Compliance with the MMRP is being proposed as a condition of approval of the Project.

### Vesting Tentative Tract Map

In conjunction with the proposed development, Comstock has submitted a Vesting Tentative Tract Map to allow for the creation of both air and land parcels necessary to allow for the development, leasing, and sale of units associated with Modelo. Under Chapter 18.04, procedures are set forth to establish a process for which a vesting tentative map may be reviewed in conjunction with the provisions of the Subdivision Map Act and the subdivision ordinance.

In this case, Vesting Tentative Tract Map No. 83334 will allow for the merger of existing parcels into one master parcel. Thereafter, the Map will allow for the creation of three parcels to be used for private commercial/residential development, City's Community Element, and subterranean parking, respectively. Within the residential parcel, the Applicant is proposing the construction of up to 850 residential dwelling units. Of these, up to 110 units will be offered as for-sale units. In order to sell these units, the Applicant is required to obtain approval and permission from the Planning Commission to proceed with the Vesting Tentative Tract Map, and if all conditions are adhered to as set forth by the Engineering Division, then the Applicant will be required to report back to staff as well as to the City Council with a final map to ensure all conditions associated with the Map have been met. A copy of the map showing the resulting land lots and condo parcels are included as Attachment I to this report.

### Site Plan Review

The site plan review process is regulated under Section 19.39.640 (Site Plan Review.) and is intended to provide a visual and factual document that may be used to determine and control the physical layout, design, and use of a lot or parcel of land, buildings, or structures. A site plan shall contain information that may include an application form, plans, drawings and diagrams, or pictures indicating uses, forms, dimensions, and other pertinent factors sufficient to provide a document that may be used to substantiate and corroborate facts and testimony vital for the development.

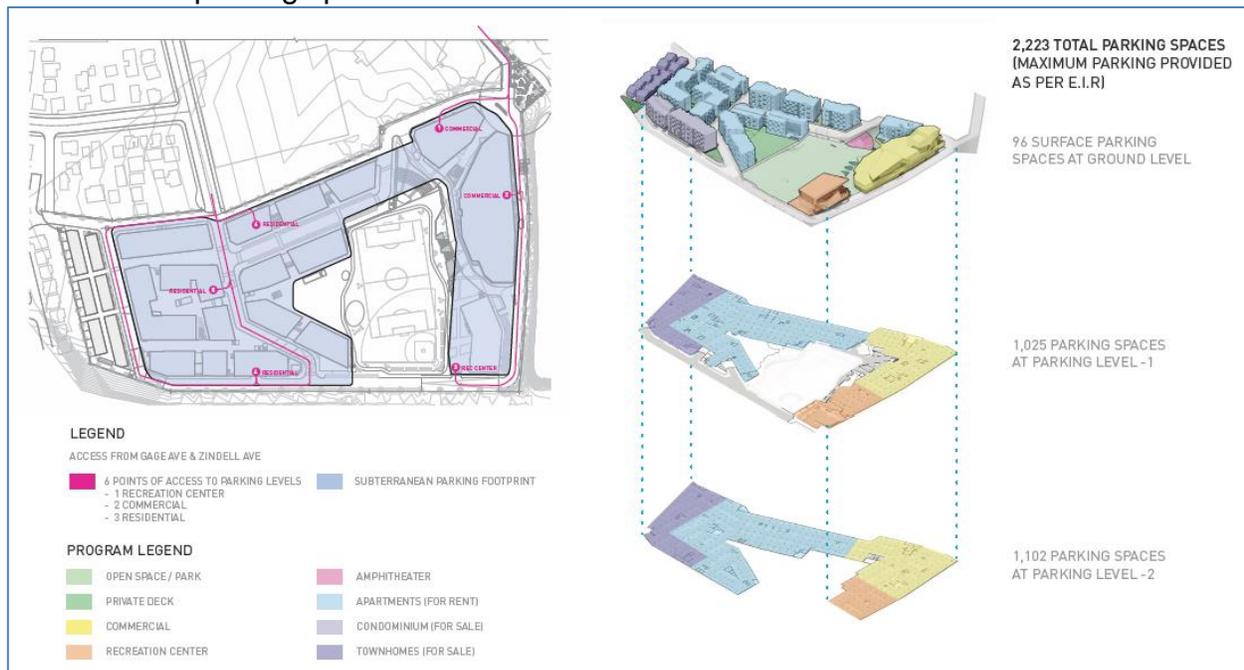
In this case, the site plan review was conducted concurrent with the Specific Plan analysis. The Modelo Project will create an urban village development that will enhance the City and provide an attractive, symbiotic lifestyle center for residents as well as draw visitors to the public and entertainment spaces within the site. To achieve this, the proposal includes a mix of up to 850 residential units and over 245,000 square feet of non-residential space.

Below is a detailed breakdown of the proposed residential units as well as the commercial and non-residential square footage:

Project Summary Table				
Use	Units	Approx. Sq Ft	Use	Approx. Sq Ft
<b>Residential Uses</b>			<b>Commercial Uses</b>	
Apartment - Studio	100	550	Common Area	34,353
Apartment - 1 Bed	269	715	Gym	14,804
Apartment - 2 Bed	329	935	General Retail	34,353
Apartment - 3 Bed	42	1,080	Arcade	20,075
Condo - Studio	8	550	Pharmacy	5,249
Condo - 1 Bed	12	715	Restaurant	11,771
Condo - 2 Bed	35	935	Grocery	15,035
Townhomes - 2 Bed	15	TBD	Cinema	47,379
Townhomes - 3 Bed	40	TBD	Museum	6,990
			Community Center	55,092
<b>Total</b>	<b>850</b>	<b>5,480</b>		<b>245,101</b>

A total of 2,223 parking spaces with multiple entries and exits to assist efficient traffic flow to be used for both residential and commercial tenants and visitors will be provided over two subterranean levels following the remediation of the subject site.

The overhead view (site plan) below depicts the approximate area below existing grade that will be devoted for parking purposes. It shows three-quarters of the site will be devoted to parking. At the right, there are three layers, each representing a respective floor of the Modelo Project. As shown, the lowest level of parking will provide 1,102 parking spaces, followed by a second level that will provide an additional 1,025 parking spaces. The uppermost layer will contain all vertical construction and will provide an additional 96 parking spaces.



The proposed 2,223 parking spaces are intended to serve both residents and patrons of the Modelo Project and will be distributed as indicated below:

Parking Breakdown			
Use	Units	Number of Spaces Per Unit	Spaces Allocated
Apartment - Studio	100	1	100
Apartment - 1 Bed	269	1	269
Apartment - 2 Bed	329	2	658
Apartment - 3 Bed	42	3	126
Condo - Studio	8	1	8
Condo - 1 Bed	12	1	12
Condo - 2 Bed	35	2	70
Townhomes - 2 Bed	15	2	30
Townhomes - 3 Bed	40	3	120
Residential - Flex			107
Commercial/Museum			639
Community Center			84
<b>Total</b>	<b>850</b>		<b>2,223</b>

### *Construction & Design*

A mix of Type 1-A (Concrete & Protected Steel), Type 3-A (All concrete) and Type 5-A (Wood Frame) are anticipated within the Project, multiple glazed elements along with balconies to at least 50 percent of the units will also be included. Segregated key card access subterranean parking will be present under all the buildings along with multiple light and landscape wells to ensure the parking feels like an integral part of the site. Hard and soft landscaping will be placed throughout the site with specific detailing towards sustainability, environmental issues such as water retention and re-use as well as ongoing maintenance. Innovation within design, structural engineering ideas and opportunities, efficient mechanical, electrical, and plumbing options, sustainable and self-sufficient lighting, and technology are also anticipated. Finishes within the residential units will be of high quality to increase the aesthetic.

### *Miscellaneous Items and Community Amenities*

A signature improvement associated with Modelo includes the demolition, replacement, and incorporation of a new Veterans Memorial Park that is part of the Community Element Parcel. As part of its agreement with the City, the Applicant continues to work with City Staff in designing a Community Element that is intended to seamlessly transition between the public and private spaces throughout the Project Site. The Community Element may include, but not be limited to: a multi-disciplinary sports complex, including youth baseball, youth and adult soccer, futsal, basketball, indoor volleyball and open green space as well as walking and bike paths, open parkland, all-inclusive playground and splash-pad, picnic and barbecue area. Within the community space will be a new Veteran’s Memorial Park Community Center that will be designed and built as a contemporary, progressive, “model”, Class A, LEED certified building that could measure as much as 67,651 square

feet in area and will be a source of enjoyment and civic pride for the City's residents. By comparison, the existing Veterans Memorial Park Community Center measures approximately 38,150 square feet. Uses in the new building will also include, but not be limited to a library, community center, indoor sports courts, daycare, senior care, outdoor recreational sports, a public safety center and water features.

Other plans include providing elevated guest services to create experiences through on-site concierge services that will provide amenities such as personalized shopping delivered to a unit and pet accommodations. A menu of fully programmed family friendly outside events and functions that utilize the extensive open space will occur throughout the year to enable Modelo to become known as and desired throughout the Los Angeles region.

The Project will provide for necessary infrastructure that is either deferred or non-existent. New traffic and intersection enhancements will reduce any potential burden caused by additional traffic, City buses and alternative transportation will also be able to enter the site and a number of bus stops and ride hailing stops are already proposed. Multiple electric charging stations will be available throughout the site, both for the use of visitors and residents adding to the belief that Modelo will end up as a neighborhood hub.

Upgrades to surrounding streets, sidewalks, drainage and water collection and flow along with new street lighting systems will further enhance the property and its surroundings taking pressure off current systems and use. Additional security personnel and safety features are planned for the property to allow employees, guests and visitors to feel safe and secure whilst living on or visiting the site.

### Master Sign Plan

During the design phase of Modelo, it was determined that application of the existing sign regulations would hinder an opportunity to provide for a more detailed and thought-conscious sign plan that is intended to match the unique features being offered in conjunction with this development. It was therefore decided that a Sign Master Plan be prepared in conjunction with the development. A Master Sign Plan is regulated by Chapter 19.25.130, and is intended to allow for creativity and flexibility for unique situations, or large developments such as Modelo. The Sign Master Plan will control and supersede inconsistencies with the regulations of the base sign standards, and will allow for a reconciliation process where inconsistencies exist. In this case, Comstock has submitted a Sign Master Plan to allow for a sign program which includes, but is not limited to site identification signs, business identification signs, and traffic control signs.

Further information regarding the Sign Master Plan is included in the Specific Plan (ATTACHMENT H) for the Project. In summary, the Modelo Master Sign Plan includes provisions for exterior-facing signage as well as in-project (within site) signs, both of which provide wayfinding for visitors to navigate to, from and in and around the site, as well as to provide promotional opportunities for grocery, restaurant, and commercial tenants as well as for the Community Center and Museum, with the goal to provide an invitation to Southern California and nearby cities to visit the site's retail and museum amenities and enjoy the Model environment created by Modelo. The Master Sign Plan provides for specific placement, sizing and specifications for signs throughout the Project as well as for light standard banners and monument signs that are outside of the Project. All signs are in

keeping with design standards that honor the Latin American design influences with an eye toward a model 21st century design.

**RECOMMENDATION:**

1. Conduct a public hearing and adopt a Resolution (a) certifying the Final Environmental Impact Report (SCH# 2019080312) for the Modelo Project as adequate and complete; (b) adopting Findings of Facts per Public Resources Code Section 20181(a); (c) adopting a Statement of Overriding Considerations; (d) adopting the Mitigation Monitoring and Reporting Program; and (e) approving Site Plan No. 997 Review, Master Sign Plan, and Vesting Tentative Tract Map No. 83334.
2. Conduct a public hearing, first reading, read by title only, and introduction of an Ordinance to (a) adopt Specific Plan No. 21-01, (b) adopt Zone Change 21-01, consisting of amendments to Title 19 of the CMC (“Zoning”) to revise Section 19.05.010 Zones Established, establish a new 19.16 Specific Plans, and revise 19.25.140 Off-Site Signs Permitted with Restrictions, and an associated amendment to the Zoning Map to allow for Specific Plan No. 21-01, and (c) approve a Development Agreement associated with the Modelo Project;
3. Adopt a Resolution approving General Plan Amendment No. 21-01, consisting of (a) an amendment to the City’s Official General Plan Land Use Map in order to implement the Modelo Specific Plan for the properties located at 7316 Gage Avenue and 6364 Zindell Avenue in the City of Commerce, and (b) a corresponding amendment to the General Plan Land Use Element Text, Section 3.5.2, Table 3-1, and Table 3-2 to implement the change to the Land Use Map;
4. Direct staff to assign a number for the adopted Ordinance and Development Agreement; and
5. Authorize the Mayor to execute the Development Agreement and any other agreements necessary to implement the Modelo Project.

**ALTERNATIVES:**

1. Approve Staff recommendation;
2. Deny Staff recommendation; or
3. Provide Staff with further or modified direction.

**FISCAL IMPACT:**

The following puts into perspective both the fiscal/economic impact the proposed mixed-use development is projected to generate, as well as the projected costs that the city will incur, both on a one-time and recurring basis:

**Projected Revenues**

Based on the Project description, assumptions, and methodology outlined in a Fiscal and Economic Impact performed, it was concluded that the project will generate approximately **\$68.1 million** (or approximately \$2 million annually) in net new fiscal impacts to the City of Commerce over a 34 year period (4-year construction period and 30-year projection period). These revenues include the following:

- Cumulative property tax revenues are projected to be \$14 million
- Cumulative property tax in-lieu of motor vehicle license fee revenues are projected to be \$6.4 million
- Total cumulative sales taxes are projected to be \$27 million, plus an additional \$13.1 million from City’s Measure AA and \$6.7 million from Measure VS

**Projected Expenditures**

<b>Projected City Obligation</b>	<b>\$72,771,549</b>
Community Center	\$44,578,640 <b>(A)</b>
Community Element Site Work	\$14,079,952
Below Grade Parking	\$10,099,564 <b>(B)</b>
Site Utilities Infrastructure / Offsite Traffic Improvements	\$4,013,393
<b>Developer Contribution/Off-Set</b>	<b><u>(\$12,000,000)</u></b>
<b>Net Projected Cost</b>	<b>\$60,771,549 (C)</b>

**(A)** This is predicated on a Community Center with a floor plan of approximately 67,000 square feet. The design phase of the project will largely determine the final projected cost of the structure.

**(B)** This amount is contingent on whether or not the city chooses to enter into a Parking Lease agreement rather than an easement for parking. The path of a lease agreement would decrease the projected obligation from \$60,771,549 to \$50,671,985.

**(C) Comparison of Financing and Projected Annual Debt Service – Four Scenarios**

Scenario A -- No Equity Contribution	\$3,066,000 Annual Debt Service
Scenario B -- \$2.5MM Equity Contribution	\$2,938,000 Annual Debt Service
Scenario C -- \$5MM Equity Contribution	\$2,813,000 Annual Debt Service
Scenario D -- \$10MM Equity Contribution	\$2,556,000 Annual Debt Service

Of note, staff continues to search for alternative funding sources to supplant and minimize the use of city funds for this project.

The figures aforementioned are just projections and subject to change.

**RELATIONSHIP TO STRATEGIC GOALS:**

The City of Commerce Strategic Action Plan was designed to link the administrative and financial operations of the City in order to help guide the Council with the decision-making process. It establishes a road map for activities and initiatives that will help achieve the vision for the City and ensure that Commerce is poised to capitalize on opportunities to advance key initiatives, while being flexible in order to achieve results that will be enjoyed by current residents and future generations. Last, the Strategic Action Plan functions as a compass for the City to continuously make strategic decisions on maintaining and improving its operations.

When reviewing the Strategic Plan, staff determined the Economic Growth Section as most applicable when considering the Modelo Project. This section of the Plan encourages the creation and retention of sustainable, diverse and high quality businesses within the City that will foster economic vitality (net economic contributors), local and regional employment, and enhances the quality of life while protecting the environment.

This is achieved through the following Guiding Principles:

*Guiding Principle 1: Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City’s financial sustainability;*

*Guiding Principle 3: Support a long-range planning vision through the City’s General Plan, zoning ordinance, and related land use planning documents that incorporate community and stakeholder input and provide a compass for strategic economic growth, infrastructure investments and city fiscal planning; and*

*Guiding Principle 4: Focus on strategic economic development pursuits that will increase local jobs, generate additional revenue and create demand for supporting businesses.*

Prepared by: Jose D Jimenez, Director Economic Development and Planning  
Reviewed by: Vilko Domic, Assistant City Manager  
Respectfully submitted by: Edgar Cisneros, City Manager  
Approved as to form, Noel Tapia, City Attorney

**Attachments:**

ATTACHMENT A – Findings	ATTACHMENT I – VTTM #83334
ATTACHMENT B – Conditions of Approval	ATTACHMENT J – Site Plan
ATTACHMENT C – Resolution (Site Plan, Master Sign Plan, VTTM, and EIR	ATTACHMENT K – FEIR
ATTACHMENT D – Resolution General Plan	ATTACHMENT L – Findings of Fact and Statement of Overriding Considerations
ATTACHMENT E – Map – General Plan and Zoning Map	ATTACHMENT M – Mitigation Monitoring and Reporting Program
ATTACHMENT F –Zoning Ordinance	
ATTACHMENT G – Development Agreement	
ATTACHMENT H – Specific Plan	