

El Segundo Herald

The Weekly Newspaper of El Segundo

Herald Publications - El Segundo, Torrance, Manhattan Beach, Hawthorne, Lawndale, & Inglewood Community Newspapers Since 1911 - (310) 322-1830 - Vol. 105, No. 1 - December 31, 2015

By Brian Simon

EL SEGUNDO: 2015 A YEAR IN REVIEW

A look at some of the top stories in town over the last year...

Budget Balanced

In September, the El Segundo City Council adopted the 2015/16 fiscal budget with expenditures exceeding revenues by \$1.2 million. To balance the books, the Council applied excess reserves from the previous year and also reduced the annual transfer to the economic uncertainty account by \$250,000 (with Mayor Pro Tem Jacobson the sole no vote because he did not wish to cut monies from this fund). During summer strategic planning sessions to address department head requests, the Council among other moves opted to fund two new police officers and promote a sergeant; subsidize a new fire engine and rescue ambulance; give Public Works the go-ahead to hire three street maintenance workers; and allocate additional personnel for the Finance Department and City Clerk's office. The Council also decided to increase City reserve percentages from 18 to 19 percent.

Commercial Projects Thriving/ New Businesses Arriving

It was another busy year for new commercial projects in town, with more than \$1 billion in active and planned development highlighted by the late spring opening of Mar Ventures' and Continental Development Corporation's 15-acre elevon project at Campus El Segundo. One of the largest for-sale commercial office developments to break ground in the region in the last decade, it was almost completely sold out by year's end. The Los Angeles Lakers purchased a 5.6-acre parcel at the site to build new training and headquarter facilities approved by the Council in April, while EVA Air also bought land for its US operations. The Point, the \$80 million shopping complex at Sepulveda and Rosecrans developed by Federal Realty Investment Trust, opened during the summer with a number of high-end retailers and restaurants in place (and more still on the way) as well as an outdoor plaza area for events and concerts. Progress continued for several new hotels slated to open in the next few years, with a January 2016 debut scheduled for a 247-room Aloft Hotel on the south side of the Hacienda property on Sepulveda. A 356-room Fairfield Inn and Suites on the north side of that property is set for a late 2016 opening. Future hotels include Hampton Inn and Suites (888-898 Sepulveda, estimated to open in early 2017), Cambria Suites (199 N. Continental, early 2017), and SpringHill Suites (2130 E. Maple, mid-2018). Across the street from the Hacienda site, In 'N Out Burger (after lengthy delays due to a snag with Caltrans) began construction in the spring and

was near completion as of press time. Property owners Decron Properties also added an outdoor dining courtyard for shopping center patrons. Notable new business tenants either already here or on the way included clinical stage biotech cancer research company Kite Pharma; Sanrio, Inc., the Japanese parent firm behind Hello Kitty; DaVita's HealthCare Partners division; NYX Cosmetics (the parent company for L'Oreal); prominent European aerospace innovation organization Starburst Accelerator; and developer Tishman Speyer, who will convert a low-rise building at 555 S. Aviation into a creative office campus. Downtown El Segundo saw new Main Street restaurant openings in the fall as well as two art studios (arriving on the heels of the successful El Segundo Art Walk that debuted during the summer) and a professional office building at the former Centinela Medical Center location. Meanwhile by the end of 2015, the City reported it was over 50 percent to its goal of 100 businesses moving to El Segundo by the time of the January 2017 Centennial Celebration.

Most Business-Friendly Again

In November, the El Segundo came away with its second Eddy Award for Most Business Friendly City. In the event hosted by the Los Angeles County Economic Development Corporation, El Segundo topped the small cities category (under 67,000 residents) to outlast four other finalists. The City was the inaugural winner back in 2006 and then had to wait five years before it could apply again. It was a finalist each of the previous three years before garnering the 2015 Eddy.

Raytheon Project Moves Forward

Late in the year, the Council gave its blessing to Raytheon Company's El Segundo South Campus Specific Plan Project, which when built out will be the largest commercial development in town in over a decade with an estimated \$2.6 million in new annual tax revenues to the City. The project entails a 142-acre site divided into 26 parcels located at 2000-2100 East El Segundo Boulevard, with plans for a three-phase development and up to 2.15 million square feet of new construction that includes office, warehousing, light industrial and commercial (retail/restaurant) uses. The first phase calls for a 92,000-square foot commercial development on two of the parcels. Phase two is the vast majority of the site with predominantly office space and will require Raytheon to extend Nash Street. The third phase will extend a segment of Continental Boulevard that will be available for public use if Raytheon sells the parcels to an outside developer. To address unavoidable project impacts, Raytheon agreed to pay the City a total of \$4 million incrementally over a six-year period starting this March, kick in a 50 cent per square foot fee for all future development on the site, and provide the City with an option to take over parkland should that space be relocated outside of Raytheon's secured perimeter.

Richmond Street Readies for Rehab

In July, the City Council agreed to move forward with staff-recommended design plans for the rehabilitation project for the 100, 200 and 300 blocks of Richmond Street. Crews scheduled to start in April 2016 will remove the existing ficus trees and replace them with less-invasive, non-shedding strawberry and king palm trees.

They will also reconstruct streets, sidewalks, curbs and gutters and install solar-powered pedestrian light fixtures. All three blocks will increase in width by six feet, while sidewalks will be three feet narrower throughout the 100 and 200 blocks and for most of the 300 block. The widening will allow for angled parking (cut at 45 degrees versus 60 previously) on the west sides of the street, with parallel spots on the east sides. The layout adds 13 new spaces to the 100 block and nine to the 200 block. The Council also directed staff to look into adding about eight parallel spaces on El Segundo Boulevard between Main Street and Richmond across the street from Chevron. Addressing prior concerns from residents and business owners, the 100 block will include a larger congregating area in front of Old Town Music Hall, a handicapped spot at the corner-most parking stall on the east side of the street, and a shared parking/loading zone just south of the theater. A second handicapped space will be installed on the west side of the street in the central area. For the 200 block, the driveway to the private parking lot will be relocated to Franklin to free up more space for angled stalls on the west side of the street. A loading zone will be created on the northeastern end of the block to accommodate deliveries at businesses. Additionally, the portion of Second City Bistro's front patio that is part of the public right-of-way will be removed in order to accommodate the narrower sidewalks.

While Councilmember Dugan sided with his colleagues on plans for the 100 and 200 blocks, he ultimately voted against the project because he wanted to remove the 300 block from the mix based on multiple resident pleas to not widen the streets or sidewalks.

School Board Election/District Highlights

In a closely contested November election, Jeanie Nishime won a second term on the El Segundo School Board. Former member Chris Powell fell short in his bid to rejoin the group, as newcomer Nancy Cobb garnered the second-most votes to fill the slot vacated by departing member Laura Gabel. In December, the Board installed Jim Garza as its new President, with Bill Watkins as Vice President and Emilee Layne as Clerk. El Segundo Unified School District highlights included the sale of its Imperial Avenue property that will generate a future income stream; implementation of Project Lead the Way for K-5 classes at the Center and Richmond Street schools; a Golden Bell Award from the California School Board Association presented to the El Segundo Middle School's International Baccalaureate Program; and El Segundo High's recognition as an Apple Distinguished School and a six-year accreditation from the Western Association of Schools and Colleges. El Segundo High also celebrated the opening of its College and Career Center, sponsored by Kinecta Federal Credit Union. To enhance the curriculum and instructional programs, community partners continued to contribute to local education—in particular Chevron, which has donated significant monies to support STEM education. This year, the El Segundo Education Foundation again pledged to raise \$1 million to grant to the School District.

Special Olympics Host Town

From July 21 to 24, El Segundo assumed the role of Host Town for 70 Special Olympics athletes and coaches from Barbados and Macedonia. The visitors participated in various events, recreational activities and cultural exchange that included a welcoming ceremony and torch run pass at Mattel, stops at the Automobile Driving Museum and Old Town Music Hall, a tour of the Lakers and Kings facilities, barbecue at Chevron Park, dinner at the Dockweiler Youth Center, and McDonald's breakfast. In the months prior, various local businesses hosted fundraisers to subsidize the costs of lodging, food, transportation and other incidentals for the visitor stays.

TopGolf Project on Course

After months of discussion to fine-tune a due diligence and lease agreement, the City Council voted in late September to proceed with the proposed TopGolf project at The Lakes at El Segundo driving range. The lease has a potential 50-year length, with 20 years up front followed by six five-year options to renew. TopGolf must operate the facility for at least seven years. Revised terms with developer CenterCal Properties include an annual ground lease of \$525,000 each of the first five years and then 10 percent raises for each five-year period after. TopGolf will also pay \$400,000 towards installing lighting on the golf course. After the first three years, the City will also receive three percent of gross revenues from beverage sales. Driving range operating hours will be from 6 a.m. to 9 p.m. with El Segundo residents receiving discounted pricing between 6 a.m. and noon on weekdays and from 6 a.m. to 9 a.m. on weekends. TopGolf must also offer discounted monthly access cards for frequent users, promote youth and junior golf programs, employ golf professionals including those currently working at the driving range, provide a practice putting element, and allow middle and high school players to practice from 2:30 p.m. to 5 p.m. at no charge and at a rate commensurate with other driving ranges at other times of the day.

Despite the approval, the deal still requires additional environmental, design and stakeholder approvals that could take up to a year and a half to complete. Mayor Suzanne Fuentes and Councilmember Mike Dugan voted against the project, as both expressed concerns about the City losing a Recreation and Parks facility.

TOT Increase Going to Ballot

In early December, the City Council voted 4-1 to put a transient occupancy tax (TOT) increase on the April ballot in hopes of bolstering general fund revenues. The group opted for a jump from the current eight percent (the lowest among competing cities in the market area that includes several South Bay municipalities, Culver City, Santa Monica, Long Beach and Los Angeles) up to 12 percent.

The average rate for the market area is 12.9 percent. If passed by a majority of voters, the move could add \$800,000 to the City's annual revenues and up to \$1.2 million per year once five new hotels are up and running. Mayor Pro Tem Carl Jacobson voted against the move because he did not want to go above

10 percent. Local hotel operators said they would support a TOT increase, but preferred a cap at 10.5 percent, with a half-percent of the total dedicated towards tourism marketing.

Union Talks Drag On

Negotiations between the City and most of the various bargaining units continued unresolved more than a year after the previous contracts expired. Most contentious were talks with the El Segundo Police Officers Association (POA), which prompted several union members as well as various local citizens to appear at Council meetings to urge City leaders to “stop the cuts” and not put public safety at risk—particularly with crime on the rise in the wake of State legislation that put more criminals on the streets. In an effort to set the record straight, Mayor Suzanne Fuentes in the summer said the City would post its offers and counterproposals online for public view if the POA agreed to do likewise. The numbers finally went up on the City’s website in November. In July, the City also posted data outlining the results of a salary survey comparison with 11 other municipalities, employee W-2s from 2012/13, current consumer price index information and CalPERS rate history. Meanwhile in November, the City reached agreement with the El Segundo Firefighters Association on a new contract—the first union to sign. Several months earlier, the Council set salaries and benefits for unrepresented employees including department heads, police and fire chiefs.

Water Conservation Gets Stricter

With California’s continued severe drought, the City Council authorized revisions to its water conservation ordinance to align with more stringent state standards. New actions approved in June included eliminating all washing down of sidewalks and driveways, limiting watering to two days a week, prohibiting landscape watering within 48 hours of predicted rainfall rather than just during precipitation, prohibiting watering of landscape public street medians with ornamental turf unless using recycled water, and allowing only drip irrigation or microspray to landscape newly constructed homes. December changes included restrictions on landscaping for new construction projects as well as remodels involving landscaping, requirements on irrigation systems such as pressure regulators, master shut-off valves, high-efficiency sprinklers, and flow sensors. Customers will also need to go through plan check, hire a water auditor and come up with a water budget.

Wiseburn High Breaks Ground/New Pool in the Works

Wiseburn Unified School District received approved plans in July for its new high school campus at 201 Douglas Street. Designed by Gensler Architects, the campus had its groundbreaking ceremony in August with completion tentatively slated for August 2017—though the timeline may be extended. Included in the mix is an Olympic-size competition swimming pool that will serve both El Segundo and Wiseburn/Da Vinci schools and will be operated by the El Segundo Recreation and Parks Department. Regarding the aquatics facility, the City Council opted in March to pursue an “upgrade option” in hopes of providing the best package of programming and amenities to serve local schools and the community while also

maximizing revenue possibilities. The plan calls for a 54-meter by 25-meter pool plus a couple of two-meter bulkheads that can provide additional programming and seating (900) to host larger meets and tournaments. The originally estimated \$10.6 million price tag could jump by more than another 10 percent and will require some outside funding, as Wiseburn previously committed \$6 million towards construction and the City had \$1.8 million in its aquatics fund. Continental Development Corporation President pledged to kick in \$1 million towards the cause and to lead an outreach campaign to raise additional dollars from the business community. The Lakers were the first to jump on board with a \$250,000 pledge.

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