

additional provision formulated and approved by the City Council on March 2, 1998: "Macy's shall invest sufficient funds in rehabilitating the Macy's Store in order to upgrade it consistent with an upscale retail standard and submit a plan reflecting same to the City."

4. Adopt a finding that the South Lake Retail Development Project as approved by the foregoing actions is consistent with the General Plan and with the Pasadena Zoning Code (as amended), for the reasons described in the Final EIR.
5. Direct staff to include in the FY 2000 Capital Improvement Program budget all traffic mitigation projects and funding plans referenced in this agenda report, which include \$200,000 from the developer and \$200,000 from the City's General Fund.
6. Direct the City Clerk to file a Notice of Determination and a Certificate of Fee Exemption for the California Department of Fish and Game, with the Los Angeles County Recorder.

BACKGROUND

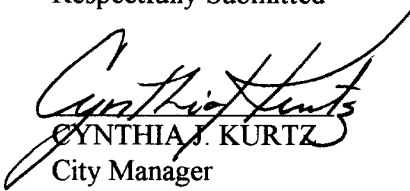
On December 16, 1998 the Superior Court issued its final decision, ordering that the City Council's April 1998 approvals for the South Lake Avenue Retail Development Project be set aside based on the statement in the City's findings that it would be "feasible" to eliminate or redesign Building "C" (the boutiques). Although the City Council on October 12, 1998 revised the findings and clearly stated its intent to find elimination or redesign of the boutiques to be "infeasible", the Court held that the subsequent change in findings on October 12, 1998 was not adequate to remedy the defects occurring when the project was approved in April. Our legal counsel believes that this situation can be remedied and the project can be cleared to proceed by rescinding the prior approvals and adopting clear and consistent infeasibility findings prior to re-approving the project. It is the shared view of City staff, legal counsel and the applicant that no other changes to the Building "C" boutiques are necessary in light of the Court's decision. Significantly, the Court's final decision finds no deficiency in the Final EIR, and rejects the petitioners' claims of inconsistency with the General Plan.

The parties to the litigation – the applicant, Pasadena Heritage, PRIDE and the neighborhood groups – have agreed to a settlement. This settlement would delete the theater component and substitute additional retail and restaurant uses in place of the theater. According to an analysis prepared by the applicant's traffic engineer, and independently reviewed by City traffic engineering staff, indicates that this modification would reduce parking requirements by more than 90 spaces, reduce daily automobile trips by 33 percent. See Consultants Report Attachment B regarding the traffic analysis. The City would be a party to the settlement agreement.

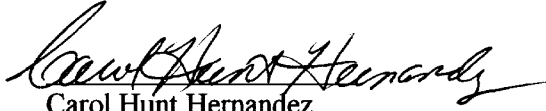
Attachment E is a revised project description which reduces the overall square feet by approximately 3,000 (153,168 s.f. to 150,216 s.f.). The height of Building "A" location of the theater at the corner of Hudson and Del Mar will be reduced by approximately 30 feet from 80 feet to 50 feet.

A major component to the settlement agreement is the commitment by the city to continue implementation of plans to protect the Southwest Pasadena neighborhoods from impacts associated with excessive traffic volumes and speeds. Attached as part of this report is a copy of the "South


Respectfully Submitted


CYNTHIA J. KURTZ
City Manager

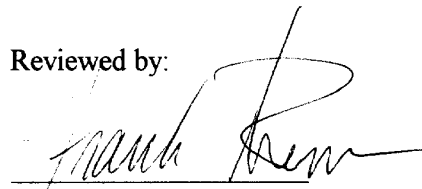
Prepared by:


Carol Hunt Hernandez
Planner

Approved by:


Darrell L. Lewis, Director
Planning and Permitting

Reviewed by:


Frank Rhemrev
Senior Deputy Attorney

fwstaffrepa