

October 29, 2018



VIA EMAIL TRANSMISSION

Mr. Ken Robertson, Director
Community Development Department
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, CA 90254

Subject: Modification Request for the Expanded Scope Necessary to Complete the Strand and Pier Hotel Draft EIR

Greetings Ken,

This modification request proposes adjustments to the original budget due to unanticipated expenses that have been necessary to complete the Draft Environmental Impact Report (EIR) for the proposed Strand & Pier Hotel Project. A range of issues have required expanded effort outside of the scope in the original proposal, including: an extended project timeline of over 3 years through to certification of the Final EIR (i.e., a delay of more than 2 years); underdeveloped Applicant-prepared technical studies; enhanced levels of environmental analysis and mitigation development; a separate and enhanced legal sufficiency review; additional meetings requested by the Applicant outside of the original scope; and commensurate increases in required project management.

Amec Foster Wheeler's original budget estimate for the preparation of the Draft EIR was \$296,530 with a 10-percent contingency. Following the Applicant's submittal of the shared parking study, the City approved a modification of \$33,685 for a parking utilization survey. Further, following the Applicant's submittal of the traffic study, the City released \$16,239 of contingency to:

- 1) Cover a minor contract discrepancy with Fehr & Peers following the contract modification;
- 2) Support additional peer review supplemental traffic analyses, including the evaluation of Transportation Network Company (TNC) ridesharing; and
- 3) Publish an additional round of notices to announce a new date for the Draft EIR Informational Session.

Although substantial funds remain in the existing total budget, the extended EIR schedule and the expansion of EIR scope have caused Amec Foster Wheeler's team to draw upon budget reserved for future phases to complete the Draft EIR. Many of these schedule delays and scope changes are attributable to the Applicant team as described in the City's response to the Applicant's letter dated February 13, 2018 while some others are related to the need for expanded coordination between the City and Amec Foster Wheeler, as described further below (see *Summary of Delays and Scope Expansion* below).

Schedule delays and EIR scope expansion have exceeded our original budget for the Draft EIR by approximately \$75,684. To address this exceedance, we request a budget modification of

\$75,684 to replenish our original budget for the remaining phases and provide sufficient remaining budget to cover all upcoming EIR and planning/permitting tasks. The 10-percent contingency would also provide adequate buffer for future uncertainty associated with public comments and Applicant comments on the Draft EIR.

Existing Budget and Proposed Modification Request

	Labor and Expense Budget	10-Percent Contingency Budget
Original Budget	\$296,530.00	\$29,653.00
Budget with Modification for Parking Utilization Survey	\$330,035.00	\$33,003.50
Proposed Modification Request	\$75,684	-
Total Proposed Budget	\$405,719	\$40,571.90

Summary of Effort Included in the Modification Request

Direct Labor	Direct Labor Hours	Cost Modification Estimate
Project Manager (D. Gira)	140	\$23,800
Deputy Project Manager (N. Meisinger)	200	\$19,000
Environmental Analysts	315	\$25,200
Project Administrator (R. Malloch)	12	\$1,440
Subcontracts/Procurement (T. Martz)	4	\$380

Subcontractor Labor	Direct Labor Hours	Cost Modification Estimate
Fehr & Peers	-	\$3,800
VizF/X	-	\$1,530
10% Subcontractor Markup	-	\$534

Modification Total

\$75,684

Thank you for your consideration of this request. If you have any questions, please contact Dan Gira at (805) 962-0992 x225 / daniel.gira@amecfw.com, or Nick Meisinger at (805) 252-0060 / nick.meisinger@amecfw.com.

Amec Foster Wheeler Environment & Infrastructure, Inc.



Aaron Goldschmidt, Operations Manager
Environmental Planning and Permitting Services

Summary Causes of Scope Expansion

Applicant Schedule Delays, Underdeveloped Technical Studies, Unscoped Meetings

- Amec Foster Wheeler entered into contract with the City for the preparation of the EIR in September 2015 and hosted a project kick-off meeting in December 2015. However, following the kick-off meeting, a complete application package was not provided until June 2016, an 18-month delay. Similarly, Amec Foster Wheeler received the draft technical studies from the Applicant in June and July 2016 for technical peer review; however, the completed revised technical studies, necessary to inform the EIR analysis, were not received until January 2017, an additional 8-month delay. As described in our proposal assumptions, any substantial schedule delays (i.e., over 2 months) warrant a cost adjustment due to extended materials review and overall management time.
- A number of the Applicant team's technical studies lacked necessary detail to support the EIR analysis. As such, our team was required to conduct multiple rounds of peer review. In some circumstances, Amec Foster Wheeler was required to conduct additional analysis or speculate on issues not considered in the technical studies (e.g., the capacity of the 13th Street storm drain line to accommodate rerouted stormwater flows).
- At the Applicant's request, we attended several unbudgeted meetings, including Construction Management Plan review and Applicant review/input on the proposed mitigation measures. Each of these meetings required preparation time (e.g., materials review, preparation of meeting agendas, etc.) and follow-up communications. Further, the outcomes of these meetings often resulted in substantive changes to the EIR (e.g., construction parking and access as well as inclusion of the ground freezing dewatering system, both of which required extensive revisions to analysis throughout the EIR).

Scope of EIR Analysis

- While comments from the City were often provided in consolidated files, comments provided by a variety of staff often required resolution or follow-up discussion (e.g., aesthetics and visual resources, greenhouse gas emissions, etc.).
- As described in our proposal, Amec Foster Wheeler assumed the preparation of the Administrative Draft EIR (ADEIR), Screencheck Draft EIR, and Public Draft EIR. An additional, separate round of legal sufficiency review was also conducted by the City's legal counsel prior to the preparation of the Public Draft EIR. The comments provided during this legal sufficiency review were very helpful and strengthened the EIR analysis, but required additional revisions to the EIR (e.g., aesthetics and visual resources).
- Due to above referenced schedule delays, PLAN Hermosa was adopted before the release of the Draft EIR. This resulted in the need to delete all references to the City's previous General Plan from completed sections of the ADEIR and to conduct additional policy consistency analysis (e.g., FAR consistency) for all newly adopted policies.
- The Sea Level Rise Analysis in Hydrology and Water Quality required substantially more effort than originally envisioned due to underdeveloped Applicant team-prepared technical studies as well as inconsistencies in existing documentation. The list of existing historic resources within the City required similar treatment.
- At the City's request Amec Foster Wheeler engaged VizF/X to prepare an additional set KVL images, additional photosimulations for proposed mitigation measures, and a shade/shadow analysis.

Amec Foster Wheeler Delays and Re-Staffing

- As described in the response to the Applicant's dated February 13, 2018, due to the overall delay with the application and the Applicant's key technical studies, preparation and review the ADEIR overlapped with other Amec Foster Wheeler projects that had previously been on wholly separate schedules as well as with City review of other high profile CEQA documents.
- Due to the need to accelerate schedule to the maximum extent feasible, Amec Foster Wheeler re-staffed many of the impact analyses with more senior technical specialists and/or environmental analysts. Additional review time by Amec Foster Wheeler's Project Management Team was also required.