

**From:** [Ken Robertson](#)  
**To:** [Mayor Jeff Duclos](#); [Councilmember Hany Fangary](#)  
**Cc:** [Sergio Gonzalez](#); [Nico De Anda-Scaia](#); [Kim Chafin](#)  
**Subject:** FW: Strand Pier EIR  
**Date:** Tuesday, March 6, 2018 10:18:56 AM  
**Attachments:** [BolourHermosaLetter\\_2018-02-13\\_AE.pdf](#)

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Mayor and Councilmember Fangary:

Attached is an email I just sent out to Mr. Bolour in response to his letter dated February 13 (attached). This should give you sufficient background and information for the meeting tomorrow with Mr. Bolour on the status of the EIR. I can't stress enough how important it is, *to all parties involved*, that the City, with its consulting team, releases a complete and thorough EIR that fully informs the decisions makers and the public of the impacts of this critically important and complex project. As you know, the process involves three key decision points ahead that will substantially rely on the analysis and findings in the EIR--decisions to be made by the Planning Commission, City Council, and the Coastal Commission.

Also, as a reminder, once the Draft EIR is released (estimated for May) the public will have 60 days to comment on the EIR, and then the City will respond to those comments and prepare a final EIR before the decision makers consider the project entitlements.

Ken

*Ken Robertson*

Director, Community Development Department  
City of Hermosa Beach  
(310) 318-0242

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**From:** Ken Robertson  
**Sent:** Tuesday, March 06, 2018 9:58 AM  
**To:** Mark Bolour (mark@bolourassociates.com)  
**Cc:** Nico De Anda-Scaia; Sergio Gonzalez  
**Subject:** Strand Pier EIR

Hi Mark:

The following is in response to your letter dated February 13, 2018 (attached). I want to assure you that we continue to work diligently with Amec Foster Wheeler (the City's EIR consultant), and Ed Almanza & Associates, to complete the Draft Environmental Impact Report (EIR) and subsequent publication of the Draft EIR. With the City's review and approval of the Draft EIR, including City legal counsel review for legal sufficiency, we look forward to publishing the Draft EIR in May 2018.

As noted in your letter, the Draft EIR preparation process has extended substantially longer than expected. This is the result of several factors, discussed in further detail below:

- **Application Submittal** –The proposed mixed-use hotel development project dates back to July 2013. Amec Foster Wheeler received a Request for Proposal (RFP) on

September 4, 2014 and submitted its original proposal on October 1, 2014; however, Amec Foster Wheeler did not enter into contract with the City for the preparation of the EIR until September 24, 2015. This delay was the result of the Applicant's major project redesign related to the public's concern over the proposed building's scale and massing. After Amec Foster Wheeler entered into contract with the City, the Applicant did not provide a draft Application to the City until December 7, 2015. Following receipt of the draft Application, the City and Amec Foster Wheeler expeditiously hosted a project kick-off meeting with the Applicant's team on December 15, 2015 to discuss the details of the proposed development. However, following the meeting, the Application submittal was determined to be incomplete in a letter from the City dated January 6, 2016. The City did not receive the requested supplemental Application materials from the Applicant until June 7, 2016, approximately 6 months after the initial submittal.

These preliminary steps in the planning process – project redesign by the Applicant and subsequent Applicant preparation and submittal of a complete Application – entailed a nearly 3-year delay in project processing, accounting for approximately 75% of the total 4-year delay noted in your letter. While the City and Amec Foster Wheeler had substantial interactions with the Applicant team during this period, the majority of efforts and associated time delays were related directly to Applicant team tasks, not those of the City or EIR team.

- **Project Description** – The City and Amec Foster Wheeler received the original Project design drawings as a part of the initial incomplete Application submittal on December 7, 2015. These design drawings were revised to address information that was lacking from the original submittal and were not re-submitted until June 7, 2016. As is typical with an EIR, the City and the EIR team did not commence intensive analysis until a complete Project Description had been agreed upon by the City and the Applicant team. This is necessary to avoid added costs and delays associated with re-completing technical analyses following iterative Project Description revisions during the EIR process. Following preparation and publication of the Final Initial Study (IS) / Notice of Preparation (NOP) on October 27, 2016 – with a scoping period lasting until December 2, 2016 – Amec Foster Wheeler submitted the detailed EIR Project Description for Applicant review on February 10, 2016 and received comments from the Applicant team in March 2016. As such, impact analyses – even for the resource areas that did not require a technical study – could not commence until the Final Project Description was approved by the City in early April 2016.
- **Technical Studies** – The City and Amec Foster Wheeler received the draft technical studies from the Applicant in June and July 2017. However, as discussed at length with the Applicant team during a variety of teleconferences and in-person meetings, the Applicant-prepared technical studies lacked critical information necessary to sustain a legally defensible EIR and to support future permitting with the California Coastal Commission. Nevertheless, in an effort to streamline schedule, the City and Amec Foster Wheeler prepared a NOP/IS, taking a conservative approach to addressing resources areas for which technical studies were being prepared and identifying

*potentially significant* impacts to be addressed further in Applicant-prepared technical studies, which would be peer reviewed and incorporated into the Draft EIR. Amec Foster Wheeler and its subconsultants provided peer review of the technical studies and encountered substantial delays in response from the Applicant's team. For example, Amec Foster Wheeler provided initial comments noting major information gaps in Historic Resources Evaluation on November 10, 2016, but the revised technical study was not provided until January 9, 2017.

- **Shared Parking and Transportation Analysis** – Given the Project's location within the Downtown Core of the City adjacent to Pier Plaza and The Strand, the two most critical resource areas to be considered in this EIR include Recreation and Coastal Access Parking as well as Transportation and Circulation. Amec Foster Wheeler received the draft Shared Parking Study in January 19, 2017 and the draft Traffic Study in February 28, 2017, over a year after the initial Project kick-off meeting. Amec Foster Wheeler and its subconsultant Fehr & Peers provided detailed peer reviews of these studies 6 weeks later in April 17, 2017 and identified a lack of critical supporting data and a number of technical deficiencies. The draft Shared Parking Study for example lacked any data describing existing coastal access parking conditions within the vicinity of the Project site, which required Fehr & Peers to collect this data in August 2017 at the request of the City. Similarly, the draft Traffic Study did not adequately support or defend internal trip capture ratios or provide data associated with Transportation Network Company (TNC) (e.g., Uber, Lyft, etc.) drop-off and pick-up, requiring additional data collection. The revised technical studies were not received until June 28, 2017 and following a second round of peer review was provided by Fehr & Peers on July 17, 2017 additional edits were still required. The Final Traffic Study was not received until July 26, 2017 and the Final Shared Parking Study was not received until July 28, 2017, over 6 months after the original submittals.
- **Completion of the Public Draft EIR:** Amec Foster Wheeler's original schedule described a 5-month timeline between the publication of the Final NOP/IS and the Draft EIR. However, this schedule assumed the completion all technical studies *ahead of the preparation of the NOP/IS*. The City and Amec Foster Wheeler did not receive complete technical studies until late July 2017. Following receipt of the final technical studies, Amec Foster Wheeler submitted the Administrative Draft EIR to the City 3 months later. Due to the overall delay with the Application and the Applicant's key technical studies, preparation and review of the Administrative Draft EIR 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. While this EIR is a top priority for the City, the Community Development Department has limited staff resources. Additionally, the City's legal counsel, who also works for other nearby cities, also have limited review time. This resulted in a more extended Administrative Draft EIR review process than previously anticipated, but one which constitutes less than 25% of the total delays cited in the Applicant's letter.

**Communication:** The City and Amec Foster Wheeler recognize Applicant's concerns associated with communication; it should be noted that the City hosted a teleconference with the Applicant on

November 2017 to discuss the overall progress on the Draft EIR, upcoming schedule, and the mitigation measures that are anticipated to be included in the Draft EIR. After subsequent communication from the Applicant on December 10, 2017, the City replied in an e-mail providing another schedule update and discussing the possibility of a future meeting or teleconference to preview and discuss the feasibility of the mitigation measures included in the Draft EIR. It should also be noted that the City replied to the Applicant's letter dated February 13, 2018, in an e-mail that was sent on February 14, 2018.

**Cost:** Regarding the costs incurred to date, the total budget associated with Task 1 – Project Kick-off & Preliminary Work, Task 2 – Notice of Preparation, and Task 3 – Draft EIR was \$201,033.60. The City's accounting showing costs incurred of \$162,000 represent 80% of these task budgets, which is consistent with Amec Foster Wheeler's overall proposal given that the preparation of the Administrative Draft EIR is generally the most time intensive task associated with preparation of an EIR.

**Upcoming Schedule:** The City and Amec Foster Wheeler recognize the Applicant's concerns regarding the schedule for the proposed project. We also appreciate that while the majority of the delays were related to the Applicant's major project redesign, delays with the Application and key Applicant-prepared technical studies, and the Applicant's changes to their Project Description, the City and Amec Foster Wheeler have also encountered delays during review of the Administrative Draft EIR and publication of the Draft EIR. The City and the EIR team are committed to expediting review and approval of the Screencheck EIR. With the City's review and approval of the Screencheck Draft EIR, including City legal counsel review for legal sufficiency, we look forward to publishing the Draft EIR in May 2018.

Ken

*Ken Robertson*

Director, Community Development Department  
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February 13, 2018

Dear Hany,

Our hotel development (“the Project”) has a long history, dating back to July 2013 when we purchased the above-referenced property with the intent of developing a new catalyst hotel project in the City of Hermosa Beach (“the City”). Upon acquisition of the site, we proceeded to develop plans for a 111-guest room hotel project with approximately 7,500 square feet of retail and restaurant uses. We initially filed entitlement applications for this initial version with the City in August 2014.

Prior to, and for a calendar year after filing, our team conducted a series of public community workshops to vet the Project. We submitted the information gathered from these workshops to the City. This initial outreach effort culminated with a presentation to the City Council in July 2015. At the specific request of the City Council, and at a significant cost, we redesigned the Project to reduce the guest room count to 100, reduce the building height to comply with the maximum 30-foot height limit in downtown, add on-site subterranean parking, eliminate hotel rooms at the ground floor, and provide public uses and amenities exceeding 20,000 square feet on the entirety of the ground floor.

In order to accommodate the additional uses requested by the City Council, we acquired an additional parcel of land located at 20-31 13<sup>th</sup> Street that was previously not part of the Project site. Given the limited options, we were forced to pay an above-market price for this additional parcel. However, this land has allowed us to create a project that is even more consistent with the Plan Hermosa goals for a catalyst project at this site and offers additional substantial community benefits in the form of adjacent public improvements and infrastructure. As a result, there has been widespread public support for the Project in the community.

On October 6, 2015, we entered into an Agreement with the City for Reimbursement of Costs of Preparation and Processing of an EIR Including Planning Services Associated with the Project (the “Agreement”). This Agreement required us to deposit funds with the City for preparation of the EIR, and required the City to hire a third-party planner to assist City Staff with review and publication of the EIR and processing of the various land use approvals (the “Approvals”).

Following execution of the Agreement, our team filed a comprehensive application for the Approvals and prepared required technical studies for the EIR. The City then retained the firm of AMEC Foster Wheeler (“AMEC”) to prepare the EIR, based upon their proposal dated

August 5, 2015. This proposal included a detailed schedule of performance for preparation and publication of the EIR that included an approximate five-month timeframe from the release of the Initial Study/Notice of Preparation (“NOP”) to prepare and publish the Draft EIR for public circulation. The City released the NOP on October 24, 2016.

Following release of the NOP, our team completed the required technical studies to support the EIR and delivered these studies to City staff between February and May 2017. City Staff deemed each of these reports complete on or before May 11, 2017.

AMEC requested that we provide additional traffic and parking studies in April 2017. Our team met with AMEC and their traffic consultant, Fehr & Peers, on several occasions to ensure the scopes of these reports were adequate for inclusion in the EIR. We completed and delivered these reports to the City on July 28, 2017. In or about August 2017, City Staff sent multiple emails stating that the reports were deemed complete and that no further information was required.

As noted, AMEC and the City’s detailed timeline for production of the EIR called for the release of the Draft EIR for public review within five months of publication of the NOP, ***or in or about March 2017***. This five-month timeframe included preparation of the Admin Draft EIR and City review of this document within three weeks of receipt. Although the City released the NOP on October 6, 2016, AMEC apparently did not commence preparation of the Admin Draft EIR until much later, as the initial sections were not completed until March 2017, ***when the entire Draft EIR should have been complete***.

Through June 2017, AMEC apparently performed substantial work on the Draft EIR, as evidenced by City Staff’s accounting of the fees incurred provided at our request (Despite repeated requests, City Staff has failed to provide a more current accounting.). This accounting shows that City Staff and its consultants incurred over \$162,000 for work on the Draft EIR as of June 2017. This amount represents more than 50% of the entire cost of the Draft and Final EIR and related services as set forth in AMEC’s proposal. ***Based on the agreed upon schedule and the substantial work performed by AMEC, the Draft EIR should have been complete by no later than September 2017, which is consistent with City Staff’s representations throughout 2017.***

Despite our repeated inquiries as to the status of the Draft EIR, City Staff have gone silent since August 31, 2017, when Staff sent an email stating that “an Administrative Draft of the EIR has not yet been prepared ... we anticipate publication of the Draft EIR sometime this fall.” ***However, the Draft EIR has not been published to date, and we have no idea when it will be.***

Under the Agreement, the City had responsibility to retain an outside planner to oversee processing of the Project to ensure a streamlined process and to avoid overly burdening City Staff. The City apparently did not hire this planner. This has presumably contributed to the lengthy delays experienced to date.

We have been patient and responsive to the City for almost 4 years, responding to every request for additional information, project modifications, technical study updates, community meetings, and meetings with various departments, all at a substantial financial cost to the Project. It has been 4.5 years since we acquired the Project site for development, over 3 years since we first filed the Project's entitlement applications with the City, and over 2 years since the current Project was deemed complete by City Staff to move forward with environmental review. The Project's financial feasibility will be in jeopardy if we cannot rely on a schedule for publication of the EIR and ultimately public hearings on the Project.

Please feel free to contact me with any questions.

Sincerely,

Mark Bolour