



Staff Report

File #: REPORT 18-0398, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of July 10, 2018

**APPROVE AMENDMENT TO THE PROFESSIONAL SERVICES
AGREEMENT WITH RINCON CONSULTANTS, INC. FOR PREPARATION
OF AN ENVIRONMENTAL IMPACT REPORT (EIR) FOR THE SKECHERS
DESIGN CENTER AND EXECUTIVE OFFICES PROJECT INCLUSIVE OF
A PROPOSED OFFICE PROJECT IN MANHATTAN BEACH**
(Community Development Director Ken Robertson)

Recommended Action:

It is recommended that City Council approve an amendment to the Professional Services Agreement with Rincon Consultants, Inc., originally approved by Council on January 27, 2015 (and amended on September 24, 2015; June 14, 2016; December 16, 2017; April 12, 2017; and September 26, 2017), to prepare an Environmental Impact Report (EIR) for the Skechers Design Center and Executive Officers Project to include additional offices proposed in Manhattan Beach.

Background:

On January 27, 2015 Council approved a Professional Services Agreement with Rincon Consultants, Inc. to prepare an Environmental Impact Report (EIR) for the Skechers Design Center and Executive Offices Project. Several minor changes to the contract were approved on February 10, 2015. Subsequently, an additional 37,703 square foot office building was proposed by Skechers in the City of Manhattan Beach on Sepulveda Boulevard between Duncan Avenue and Boundary Place, just north of the two originally proposed buildings in Hermosa Beach. After consultation with the applicant's team and Manhattan Beach staff, it was agreed that the combination of buildings would have area-wide impacts which cross city boundaries. Therefore, the new building was added to the EIR's project description so that the impacts of the combined buildings could be addressed as a single project, and an amendment to the EIR contract with Rincon was approved by the City Council on September 24, 2015. The City Council approved a third amendment on June 14, 2016 due to additional changes to the overall project, most notably to expand the project to add the site of the former car wash at 300 S. Sepulveda Boulevard in Manhattan Beach. On December 16, 2016, the City Manager authorized a 13% increase to the contract (to a total of \$236,784), primarily for additional traffic consultant support to analyze and prepare potential transportation-related mitigation measures. Section I.C of the City Council-approved contract authorized the City Manager to approve an additional not-to-exceed amount of up to 15% for additional technical studies.

Rincon Consultants advised in February 2017 that completion of the Draft EIR required substantial additional time beyond what was budgeted, based largely on the extensive back-and-forth discussions with the City of Hermosa Beach, City of Manhattan Beach and Skechers representatives, on a variety of issues, and that the amount remaining in the budget would not be sufficient to cover costs to complete the Draft EIR and subsequent Final EIR. Therefore, the City Council approved an amendment to increase to the contract by 18% from \$236,784 to \$290,984.

Following publication of the Draft EIR in June 2017, public comments were received which necessitated additional traffic study and analysis in order to prepare proper responses to the comments and any associated mitigation measures that needed to be included in the Final EIR. Rincon prepared an additional scope of work which required an additional \$52,639, and the City Council authorized amending the contract accordingly on September 26, 2017, which increased the overall contract budget from \$290,984 to \$343,623.

The Final EIR was adopted by the City of Hermosa Beach on January 31, 2018 and was subsequently adopted by the City of Manhattan Beach. All work on the Final EIR has been completed. Final consultant costs exceeded the total contract amount by \$17,946 because additional coordination was necessary between the EIR consultant and both cities regarding final mitigation measures, and additional copies of the Final EIR were required for the public.

Analysis:

The following changes are proposed to the agreement between the City and Rincon Consultants.

The new amendment will add \$17,946 to cover environmental consultant work needed for additional coordination between the EIR consultant and both cities regarding final mitigation measures, and to cover the cost if additional copies of the Final EIR required for the public. This will increase the overall contract budget from \$343,623 to a not to exceed amount of \$361,569. This amount is reflected on the attached contract amendment.

Because all consultant work and deliverables have been provided, the proposed amendment reflects the final costs associated with preparation of the Final EIR.

Fiscal Implications:

There are no adverse fiscal implications to the City. All costs of the EIR, including reimbursing City staff, are paid by the applicant pursuant to a Reimbursement Agreement.

Attachments:

1. Amendment to Professional Services Agreement
2. Exhibit A to Professional Services Agreement

Respectfully Submitted by: Kim Chafin, Planning Manager

Concur: Ken Robertson, Community Development Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: John Jalili, Interim City Manager