



Staff Report

File #: REPORT 18-0681, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of November 13, 2018**

**APPROVE THIRD AMENDMENT TO THE PROFESSIONAL
SERVICES AGREEMENT WITH AMEC FOSTER WHEELER
ENVIRONMENT & INFRASTRUCTURE, INC., TO PREPARE
AN ENVIRONMENTAL IMPACT REPORT (EIR) AND
TO PROVIDE PLANNING SERVICES FOR THE
STRAND AND PIER HOTEL PROJECT**

(Community Development Director Ken Robertson)

Recommended Action:

Staff recommends that the City Council approve a third modification, in the amount of \$75,684, to the Professional Services Agreement with Amec Foster Wheeler Environment & Infrastructure, Inc., to prepare an Environmental Impact Report (EIR) and provide planning services for the proposed Strand and Pier Hotel Project. The modification would result in an increase to the current contract amount from \$330,035 to \$405,719, plus the 10 percent contingency, and would extend the term of the contract from December 31, 2018 to December 31, 2019.

Background:

On September 24, 2015, City Council approved a Professional Services Agreement with Amec Foster Wheeler Environment & Infrastructure, Inc. (AMEC) to prepare an Environmental Impact Report (EIR) and provide planning services for the proposed Strand and Pier Hotel project. This agreement was amended on December 16, 2016 and January 10, 2017.

Pursuant to the terms of the contract, the City Manager authorized an amendment extending the contract from December 31, 2016 to December 31, 2018.

The scope of the original contract included preparation of environmental studies by AMEC, as well as peer review by AMEC of some developer-prepared environmental studies, such as Parking and Traffic studies. Staff subsequently determined it would be more expeditious for AMEC to prepare a Parking Survey that would assist the development team in completing the developer-prepared Parking Study, and the City Council approved an amendment on January 10, 2017 to increase the \$296,530 contract amount by 11 percent (\$33,685) to \$330,035 to accomplish that task.

A third modification to the contract in the amount of \$75,684 is proposed due to unanticipated

expenses that have been necessary to complete the EIR.

Analysis:

A range of issues has required expanded efforts outside the consultant's original scope of work, including: an extended project timeline of over three years through to certification of the Final EIR (a delay or more than two years); underdeveloped developer-prepared technical studies (i.e., parking study, traffic study); enhanced levels of environmental analysis and mitigation development; a separate and enhanced legal sufficiency review; additional meetings requested by the developer outside of the original scope of work; and commensurate increases in required project management.

Although funds remain in the existing total budget, the extended EIR schedule and expansion of the scope of work have required the consultant to draw upon budget reserved for future phases to complete the Draft EIR. Many of the schedule delays and scope changes are attributable to the development team as described in the City's response to the developer's letter of February 13, 2018, while some are related to the need for expanded coordination between the City and AMEC. Schedule delays and EIR scope expansion have exceeded the original budget by approximately \$75,684, and to address this, a budget modification of \$75,684 is requested to replenish the original budget for the remaining phases and provide sufficient budget to cover all upcoming EIR and planning/permitting tasks. The 10 percent contingency would also provide adequate buffer for future uncertainty associated with responding to public comments and developer comments on the Draft EIR. The requested modification will cover minor revisions to existing technical studies, if needed.

Specifically, the proposed modification to the Agreement is to increase the current contract amount from \$330,035 to \$405,719, plus the 10 percent contingency, and to extend the term of the contract from December 31, 2018 to December 31, 2019.

General Plan Consistency:

PLAN Hermosa (the City's combined General Plan and Local Coastal Program) was adopted in August 2017. General Plan policies implemented by approval of the proposed contract amendment include:

- 1) The original contract and amendments have been approved in open meetings in which the decisions are being made, pursuant to Governance Policy 1.1.
 - a) *Governance 1.1 Open meetings. Maintain the community's trust by holding meetings in which decisions are being made that are open and available for all community members to attend, participate, or view remotely.*
- 2) The subject contract amendment for preparation of the EIR ensures completion of CEQA-required evaluation of the project for environmental impacts and compliance with applicable regulations associated with the following General Plan goals:
 - a) *Mobility 5.4 Evaluate projects. Ensure the evaluation of projects for transportation and traffic impacts under CEQA consider local and statewide goals related to infill development, the promotion of healthy and active lifestyles through active transportation, and the reduction of*

greenhouse gases, in addition to traditional congestion management impacts.

- b) Sustainability + Conservation 2.6 Greenhouse gas thresholds. Establish greenhouse gas emissions thresholds for use in evaluating non-exempt discretionary projects consistent with CEQA and require projects above that threshold to substantially mitigate all feasible greenhouse gas emissions, and locally offset the remainder of greenhouse gas emissions produced to meet thresholds.*
- c) Sustainability + Conservation 3.2 Mobile source reductions. Support land use and transportation strategies to reduce emissions, including pollution from commercial and passenger vehicles.*
- d) Public Safety 1.2 Prepare geotechnical reports. Geotechnical reports will be prepared for new development projects in areas with the potential for liquefaction or landslide.*
- e) Public Safety 1.8 Reduce stormwater runoff. Reduce stormwater runoff consistent with local stormwater permits.*
- f) Public Safety 1.10 Consider site-specific soil conditions. Require new structures to consider site-specific soil conditions.*
- g) Public Safety 2.1 Integrate resilience. Integrate resilience to anticipated sea level rise impacts into project designs when repairing and replacing aging infrastructure within the coastal zone.*
- h) Public Safety 2.2. Sea level rise impacts. Require new development and redevelopment projects to consider and address relevant sea level rise impacts.*
- i) Public Safety 2.9 Beach nourishment and replenishment. Consider allowing construction projects with sand excavation to add sand for beach replenishment or nourishment purposes.*
- j) Public Safety 5.6 Adequate emergency access. Require new development to be designed to provide adequate emergency access and to maintain current levels of emergency services.*
- k) Public Safety 7.2 Noise compatibility. Utilize the Land Use/Noise Compatibility Matrix in Table .4 as a guide for future planning and development decisions.*
- l) Public Safety 7.6 Vibration control. Groundborne vibration levels induced by construction and demolition activities and other ongoing land use activities can be controlled to minimize damage and annoyance within the community.*
- m) Public Safety 8.1 Transportation facility compatibility. Periodically review County, regional and local plans for transportation facilities and new developments to minimize or avoid land use/noise conflicts prior to project approval.*
- n) Infrastructure .4 Fair share assessments. Require new development and redevelopment projects to pay their fair share of the cost of infrastructure improvements needed to serve the project, and ensure that needed infrastructure is available prior to or at the time of project completion.*
- o) Infrastructure 2.5 Active transportation dedications. Require new development and redevelopment projects to provide land or infrastructure necessary to accommodate active transportation, such as widened sidewalks, bike racks, and bus stops, in compliance with ADA accessibility standards.*
- p) Infrastructure 2.7 Restore to City standards. Require utility, other service providers, and private construction projects working in the public right-of-way to restore or improve trench areas to*

return the site to conditions that comply with City standards and prevent roadway and sidewalk deterioration.

- q) Infrastructure 3.1 Demand monitoring. Continue to evaluate and monitor the adequacy of available water supply and distribution systems relative to proposed development and redevelopment projects.*
- r) Infrastructure 4.4 System capacity reviews. Require new development and redevelopment projects to demonstrate available sewer system capacity and resiliency.*
- s) Infrastructure 5.8 Low impact development. Require new development and redevelopment projects to incorporate low impact development (LID) techniques in project designs, including but not limited to on-site drainage improvements using native vegetation to capture and clean stormwater runoff and minimize impervious surfaces.*

Fiscal Implications:

There are no adverse fiscal implications to the City. All costs of the EIR, including reimbursement for City staff time, are paid by the applicant pursuant to a Reimbursement Agreement with the developer, Bolour Associates.

Next Steps:

The City's environmental consultants and City staff are currently reviewing public comments and formulating formal responses, which may necessitate additional technical studies to respond accordingly. The public comments, along with the City's formal responses and any additional needed technical studies, will be published in a document called a Final EIR. Publishing the public comments simultaneously with the professional responses provides a context for better understanding of the technical issues regarding the environmental impacts of the project, and suggested mitigation measures.

The Final EIR will be published prior to the required Planning Commission public hearing. There will also be a required City Council public hearing to consider certification of the Final EIR and the requested project entitlements. As always, public input is encouraged at these hearings, which are anticipated to occur sometime after the holidays.

Attachments:

1. Third Amendment to Professional Services Agreement
2. Attachment A - Modification Request for Expanded Scope to Complete the EIR
3. Second Amendment to Professional Services Agreement
4. Exhibit A to Professional Services Agreement
5. Original Agreement dated 9-24-15
6. City's 3-6-18 response to developer's 2-13-18 letter
7. Developer's 2-13-18 letter to City
8. Link to City Council 9-24-15 Meeting
9. Link to City Council 1-10-17 Meeting

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: Suja Lowenthal, City Manager