



Staff Report

File #: REPORT 23-0100, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Special Meeting of February 27, 2023**

**UPDATE AND DISCUSSION OF OPTIONS FOR
PARKING LOT D IMPROVEMENTS (CIP 682)**
(Environmental Programs Manager Douglas Krauss)

Recommended Action:

Staff recommends City Council:

1. Receive an update on the Parking Lot D project and Conceptual Rendering (**Attachment 1**); and
2. Provide staff with feedback or direction on next steps, if so desired.

Executive Summary:

At its January 10, 2023 meeting, City Council directed staff to return to Council with an update on the status of the Parking Lot D Improvement Project (CIP 682) to facilitate a discussion regarding the project and possible project alternatives.

Background:

The Parking Lot D Improvement Project was first conceived in 2017 to reconstruct Parking Lot D, located at the southwestern corner of Manhattan Avenue and 14th Street, as a demonstration project showcasing a range of environmentally sustainable design elements. The conceptual design elements include storm water infiltration, native vegetation, electric vehicle (EV) charging stations, and solar power generation to help power the lights and EV charging stations (**Attachment 1**).

To date, the City has expended approximately \$120,000 on design and grant application support and has conducted extensive community outreach and engagement at the project's inception to help shape the scope and design. Staff anticipates it will take approximately \$20,000 to complete the design and to prepare the bid package for advertisement.

Construction estimates in 2021 for the current project was approximately \$1,200,000, with \$857,600 paid with outside funding and \$342,000 with local funds. Staff applied for, and was successful in securing, \$433,650 in grant funding from the Coastal Conservancy and \$423,950 from the Safe Clean Water (SCW, formerly Measure W) regional funding program to complete construction of the project. The local funding includes \$47,186 in CIP funds and \$295,214 in Storm Drain Funds.

Staff is currently reviewing the final plans and will begin development of specifications prior to advertisement. It will take staff roughly several months to complete the remaining work amidst other

competing project priorities. Staff has tentatively set a goal of advertisement and award of the contract to be able to begin construction in fall 2023. Construction is slated to be completed during the off-season to avoid additional impact to parking during the busier summer months.

At its January 10, 2023 meeting, Councilmember Saemann requested staff bring back an item to provide an update on the project and discuss possible strategies for amending the project. Specifically, it was proposed to add a second deck for additional parking at the site to maximize the parking benefits of the proposed project. This request was supported by Mayor Jackson.

Past Council Actions

Meeting Date	Description
March 27, 2018	City Council approved a resolution authorizing staff to submit a grant application to the California Climate Investments Urban Greening Program
July 13, 2021	City Council approved a resolution authorizing acceptance of grant funding from the Coastal Conservancy
January 10, 2023	Two Councilmembers supported returning to City Council with an item updating Council on the status of the Parking Lot D Improvement Project to facilitate a discussion regarding the project and possible project alternatives.

Discussion:

Should Council choose to pursue the multi-story parking concept, it would be timely to provide such direction. With limited number of properties under City ownership, it is reasonable to consider maximizing the potential of surface lots with concepts such as: designing parking areas exclusively below ground, allowing above ground levels to include mixed-use development; incorporating additional levels below and above ground to increase parking capacity; and assembling properties to concurrently develop through public-private partnerships.

Following City Council's direction to provide an update, staff discussed the possibility of a project amendment and conferred with the project engineer regarding logistics and costs for the proposed project amendment. Staff also consulted with the funding agencies to determine if extensions or amendments to the grants were feasible.

The Coastal Conservancy funding is set expire in February of 2024, at which time construction of the project must be completed. Conservancy staff indicated that there may be a chance to extend the deadline to February of 2025. An extension would require an amendment to the current funding agreement, which is subject to approval by the Coastal Conservancy Board. Any substantial changes to the project would also require resubmittal to its board for approval. The amendment process can take up to six months.

Los Angeles County staff responsible for the administration of the Safe Clean Water (SCW) funding

program indicated that the City has five years after the transfer of funds to expend the grant. The City's funding is slated for two equal transfers, with the first fund transfer of \$211,975 scheduled for Spring of 2023 and the second transfer with the remaining balance scheduled for 2024. Any change in scope, or request for additional funds, would require a separate application to the SCW Scoring Committee and eventual approval by the Los Angeles County Board of Supervisors. The scope change process can take up to one year. If the scope changes were not approved, and the City decided not to move forward with the current project, then any funds provided to the City in Spring 2023 would need to be returned.

Both funding opportunities were targeted to support sustainability improvements and specifically storm water pollution prevention. Any revision to the project that deviates from this goal would jeopardize the project's eligibility for this funding. Per the consultant, the additional level of parking would require a new design. Design and engineering services for a revised project could cost approximately \$300,000 and take approximately six months. A Coastal Development Permit from the Coastal Commission would also be required. The current project design would result in 22 parking spaces, which is one more than in the current parking lot.

It is unclear at this time the extent to which the sustainability improvements could be retained if the project were revised to include a second parking deck. A second deck structure would require footings that would impact the retention system making it less effective. It could also reduce the number of parking spaces on the first floor. The visual impacts of a larger structure with solar panel canopy on top, the operational impacts of vehicle circulation, and long-term operation and maintenance needs would also need further consideration and with input from the community. Staff estimates that the new deck could potentially allow up to 22 additional spaces maximum but would likely require the removal of two spaces on Manhattan Avenue to accommodate a new driveway. The consultant also provided a very rough construction cost estimate of at least \$3,000,000, based in part on recent comparable projects bringing the combined estimated cost of approximately \$3,600,000, including a 20 percent contingency.

Should the Council find it timely to reconsider the original concept and design for Lot D in order to add additional uses and/or parking capacity, future design concepts need not abandon consideration of the sustainability elements in the current design. Considering the information provided by the project engineer and funding agencies, it is most likely that the City would need to cancel the current project, return the grant funding, and seek additional funding before design of a revised project could commence. Alternate sources of revenue could be explored, including leveraging the site along with other City-owned properties in a public-private partnership. The upcoming facilities needs assessment could additionally inform this consideration should the Council elect to move in this direction.

General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the

City's General Plan. Relevant Policies are listed below:

Mobility Element

Goal 4. A parking system that meets the parking needs and demand of residents, visitors, and employees in an efficient and cost-effective manner.

Policy:

4.2 Encourage coastal access. Ensure parking facilities and costs of such facilities are not a barrier to beach access by the public

Infrastructure Element

Goal 5. The stormwater management system is safe, sanitary, and environmentally and fiscally sustainable.

Policy:

5.7 Stormwater permits. Strictly implement, enforce, and monitor MS4 National Pollutant Discharge Elimination Systems (NPDES) Permit requirements through stormwater ordinances.

Fiscal Impact:

The City has secured \$857,600 in grant funds from the two funding agencies for the currently proposed Parking Lot D project. The construction estimate provided by the consultant in 2021 was approximately \$840,000 and ongoing maintenance is estimated at approximately \$12,000 annually. Ongoing annual storm water monitoring costs are not yet known. The City has spent approximately \$120,000 of its own funds to date for design and engineering.

There is no funding source currently identified for the estimated \$300,000 design and engineering services and estimated \$3,600,000 construction cost of the proposed multi-story parking lot project.

Attachments:

1. Parking Lot D Conceptual Rendering
2. Link to March 27, 2018 City Council Staff Report
3. Link to July 13, 2021 City Council Staff Report

Respectfully Submitted by: Douglas Krauss, Environmental Programs Manager

Concur: Joe SanClemente, Director of Public Works

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Pat Donegan, City Attorney

Approved: Suja Lowenthal, City Manager