



AGENDA REPORT

Meeting Date: July 19, 2016

Item Number: G-1

To: Honorable Mayor & City Council

From: Ryan Gohlich, AICP, Assistant Director of Community Development

Subject: REPORT ON THE BEVERLY HILLS GARDEN AND OPEN SPACE INITIATIVE

Attachments:

1. Planning, Traffic, and Financial Impacts Report Regarding the "Beverly Hills Garden and Open Space Initiative" ("9212 Report")
2. Environmental Assessment Analysis Report Provided by the Initiative Petitioner.
3. Economic Impact Analysis Report Provided by the Initiative Petitioner.
4. California Elections Code Section 9212.

RECOMMENDATION

Receive information pertaining to the "Beverly Hills Garden and Open Space Initiative," including the 9212 Report requested by the City Council (Attachment 1). Discuss the item and direct staff as to further action, if required.

BACKGROUND

An initiative petition identified as "AN INITIATIVE MEASURE TO AMEND THE BEVERLY HILTON SPECIFIC PLAN TO COMBINE THE 8 STORY WILSHIRE CONDOMINIUM BUILDING WITH THE 18 STORY SANTA MONICA CONDOMINIUM BUILDING RESULTING IN ONE 26 STORY BUILDING WITH ADDITIONAL HEIGHT AND TO REPLACE THE WILSHIRE BUILDING WITH 1.7 ACRES OF GARDEN OPEN SPACE THAT IS GENERALLY OPEN TO THE PUBLIC SUBJECT TO REASONABLE RESTRICTIONS DETERMINED BY THE PROPERTY OWNER" (the "Initiative") was filed with the City on May 2, 2016. The Initiative proposes modifications to the Beverly Hilton Specific Plan, which was approved by the City Council in April 2008. On June 21, 2016, the City Clerk, acting in the capacity of local

elections official, certified to the City Council the sufficiency of the petition. As the Initiative has qualified for the ballot, voters will be asked to approve or deny the requested modifications to the Beverly Hilton Specific Plan. In brief, key modifications to the existing Beverly Hilton Specific Plan included in the Initiative, based on assessment of the originally approved specific plan, are as follows:

- Remove an 8-story condominium building located on Wilshire Boulevard at Merv Griffin Way from the Specific Plan.
- Modify the existing approval for a 218 foot tall, 18-story condominium building on Santa Monica Boulevard at Merv Griffin Way to allow a 345 foot high (as measured from adjacent grade), 26-story condominium building with an additional 30 feet allowed above the roof level. In addition, the footprint of the modified building is larger than the footprint of the approved building.
- Increase the total size of the landscaped gardens and pedestrian areas within the Specific Plan area from 3.28 acres to 3.89 acres. Identify 1.7 acres of the project site's open space located along Wilshire Boulevard at Merv Griffin Way as a private gardens that are generally publicly accessible ("Wilshire Garden"). The Wilshire Garden will be privately owned, but generally accessible to the public subject to hours of use, and rules and regulations set forth by the property owner. In addition, the Wilshire Garden may be periodically used by the property owner for private events.

At its meeting on June 21, 2016, the City Council received certification from the City Clerk as to the sufficiency of the initiative petition, and pursuant to California Elections Code Section 9212 (Attachment 4), directed City Staff to have a report studying the impacts of the Initiative prepared and presented to the City Council at its July 19, 2016 meeting. California Elections Code Section 9212(a) identifies topics that may be included in a report on an initiative measure. California Elections Code Section 9212(b) requires the report, if requested, to be presented to the City Council no later than 30 days after the City Clerk certified to the City Council the sufficiency of the petition.

Based on Council direction, the City retained three consultants to prepare an independent analysis of the potential impacts of the proposed ballot initiative compliant with the list of topics identified in Section 9212(a) of the Elections Code and based on information requests of the Council at the June 21, 2016 hearing. The analysis prepared by the three consultants has been compiled into one document, the attached 9212 Report. Rincon Consultants Inc. prepared the Planning Analysis portion of the report, which includes: discussion of consistency of the Initiative with the City's adopted land use regulations; potential aesthetic, shade/shadow, open space, noise, police service, fire department service and water/sewer utility impacts of the Initiative; and a comparison the Initiative process with the City's standard entitlement process to change an adopted Specific Plan. Fehr and Peers prepared the traffic impact analysis, which includes discussion of potential changes to trip generation and trip distribution, potential intersection and roadway segment impacts and the potentially modified construction traffic conditions that could result from Initiative approval. Keyser Marston Associates, Inc. completed a Value Enhancement Analysis and a General Fund Revenue Analysis, comparing the proposed Initiative with the existing approved Beverly Hilton Specific Plan.

The California Elections Code provides the City with 30 days from certification of the election results to complete a 9212 Report. The analysis contained in the attached report is intended to be responsive to the information requested by the City Council at its June 21, 2016 City Council

meeting, and is consistent with the requirements set out in Section 9212 of the Election Code. However, please be aware that the review of the potential impacts of the Initiative is as comprehensive as possible, but it is infeasible to prepare a nuanced and exhaustive analysis of all potential issues within the 30-day timeframe.

SPECIFIC PLAN AND INITIATIVE COMPARISON

The Initiative includes a number of changes, but also retains many aspects of the original Specific Plan. In order to highlight both the differences and similarities, the following table is provided as a quick-reference guide for differentiating between the two projects. While the list is not exhaustive, it is intended to capture most of the major project elements.

	Approved Specific Plan	Initiative	Change
Total Floor Area	973,565 square feet	973,565 square feet	No change
Residential Floor Area	371,453 square feet	371, 453 square feet	No change
Residential Units	110	110 plus 10 staff rooms	Staff rooms are a new added component
Building Siting	Two residential buildings	One residential building	Reduction of one building
Parking Spaces	1,572 striped, 331 aisle, 280 through mechanical lifts	1,572 striped, 331 aisle, 280 through mechanical lifts	No change
Santa Monica Blvd. Setback	35' from Santa Monica Blvd. face of curb	20' from property line along Santa Monica Blvd.	No physical change, just different reference point for measuring setback
Building Height	Bldg. A: 8 stories, 101' (+25' for rooftop structures) Bldg. B: 18 stories, 218' (+25' for rooftop structures)	Residences Building: 26 stories, 345' (+30' for rooftop structures that includes habitable space) 375' overall	+127' of indoor habitable space +5' maximum rooftop accessory structure height
Open Space	142,779 square feet (3.28 acres) No open space identified as open to the general public.	169,415 square feet (3.89 acres)	+26,636 square feet (0.61 acres) 1.7 acres of 3.89 acres of open space to be private garden generally accessible to the public.
Meeting Rooms, Conference Rooms and Ballrooms	68,860 square feet	68,860 square feet	No change

Outdoor Event Space	3 venues	4 venues	+1 venue, but occupancies remain the same
Graywater Use	Use for landscaping and explore use for interior non-potable uses	Use for landscaping	No longer required to explore use for interior non-potable uses

9212 REPORT ANALYSIS

The impact report provides three overall categories of analysis: planning, transportation, and financial. The general topics analyzed in the report are outlined below, with references to where in the report each topic can be found. The full 9212 Report is provided as Attachment 1 to this report.

Planning Analysis. Rincon Consultants, Inc. prepared a technical analysis of the following issues associated with the initiative:

General Plan/Specific Plan/Zoning Consistency (page 4)

Aesthetics (page 12)

Shade/Shadow (page 13)

Open Space Areas (page 20)

Police Service (page 22)

Fire Department Service (page 22)

Water/Sewer Utilities (page 23)

Entitlement Process (page 24)

Transportation Analysis. Fehr & Peers prepared a technical analysis of the transportation impacts that could be generated by the Initiative. The transportation analysis includes the following sections:

Trip Generation and Distribution (page 26)

Intersection and Residential Roadway Segment Impacts (page 28)

Construction Conditions (page 30)

Financial Analysis. Keyser Marston Associates, Inc. (KMA) prepared a technical analysis of the private and public financial impacts that could potentially be generated by the development proposed by the Initiative. The financial analysis includes the following components:

Value Enhancement to the Property Owner (page 32)

Fiscal Impact to the City (page 37)

CITY COUNCIL QUESTIONS

In addition to the technical areas of analysis set forth in the 9212 Report, a number of questions and areas of interest were raised by the City Council during its June 21, 2016 discussion on the matter. The following is a list of Council questions, with answers provided immediately thereafter. In some instances, the answer to the question requires a more technical, in-depth explanation, and can therefore be found in the 9212 Report, with a page number noted for reference below. The questions and topics covered are as follows:

- Q1. What is the cumulative traffic impact that results from the Beverly Hills Garden and Open Space Initiative in conjunction with the One Beverly Hills project?
- A. The traffic analyses prepared for both the Initiative and One Beverly Hills projects concludes that, although traffic will increase to varying degrees, there will not be a cumulative traffic impact as defined by the City's adopted traffic impact thresholds. Additional detail regarding traffic analysis and impacts is provided on page 29 of the 9212 Report. In addition, there is a potential circulation impact that could result from the siting of the driveway of the modified residential building and the access to the proposed hotel motor court on the One Beverly Hills site.
- Q2. How will the public garden (Wilshire Garden) be used and what is the range of events that may occur there?
- A. The Initiative does not provide details on how the Wilshire Garden might be used for events. The Initiative states that the Wilshire Garden "shall generally be open to the public," but that it "may be used for private events from time to time." The Initiative does place an occupancy limit of 300 people for events that occur in the Wilshire Garden, and stipulates that outdoor events in the Wilshire Garden can only occur as part of an indoor event.
- Q3. How much of the Wilshire Garden is designated for event space?
- A. The Initiative does not limit how much of the "1.7 acre Wilshire Garden" can be used for events. There is a maximum occupancy of 300 people set forth in the Initiative, and it is assumed that the full 1.7 acres could be used for events since no limit is specified.
- Q4. What will the frequency of events be in the Wilshire Garden?
- A. The Initiative does not limit the frequency of events held within the Wilshire Garden. It simply states that the Wilshire Garden "may be used for private events from time to time," but does not define the meaning of "from time to time."
- Q5. What are the proposed operational hours for outdoor events and rooftop areas?

- A. The Initiative does not limit the hours of use for outdoor events and rooftop areas, and simply defers this authority to the property owner to establish restrictions.
- Q6. Will the City be provided with an easement to ensure public access to the Wilshire Garden in perpetuity?
- A. The Initiative does not provide for a public easement that would ensure public access in perpetuity.
- Q7. If there are amendments to the Specific Plan in the future, how will those be dealt with? Will another election be required?
- A. If the electorate votes in favor of the Initiative, the Initiative provisions can be amended again only by another election. However, starting January 1, 2026, if a request for amendment is submitted by the property owner the City may amend the Initiative without another election.
- Q8. The total open space within the Specific Plan has been increased from 37% to 43%. How is that distributed?
- A. The Initiative does not provide a sufficient level of detail to determine the specifics of open space distribution. The Initiative simply refers to "landscape and pedestrian areas at ground level," which has been increased from 142,779 square feet to 169,415 square feet (a 26,636 square foot increase). Although not clearly defined, the increase in open space appears to largely be in the location of the Residences A Building, which has a footprint of approximately 19,398 square feet and is proposed to be eliminated.
- Q9. What is the Initiative's fiscal impact, both on the developer and the City?
- A. In general, the Initiative will result in a financial gain for the developer, as well as for the City. The developer's net gain is projected to be approximately \$48,177,000 once all units are sold, and the City's net gain, over a 30-year period, is projected to be approximately \$33,422,000. Specific information concerning fiscal impacts is provided on page 37 (developer) and page 39 (City) of the 9212 Report.
- Q10. How is traffic affected by concurrent events that are happening both inside and outside the hotels?
- A. The Initiative appears to maintain the same occupancy limits for outdoor event space as those set forth in the approved Specific Plan. Assuming the uses adhere to the required occupancy limits, the event space is not anticipated to generate additional traffic beyond what was studied in the original Environmental Impact Report. There is a shift in vehicle distribution due to the elimination of the driveway access from Merv Griffin Way associated with the Residences A Building; however, according to the consultant's traffic analysis, the shift is limited and does not trigger any new traffic impacts. Additional detail and analysis are provided on pages 20-21 of the 9212 Report.

- Q11. What are the overall shade and shadow impacts that result from the Initiative?
- A. The Initiative does result in increased shade and shadow impacts, which are discussed on page 13 and visually depicted on pages 16-19 of the 9212 Report.
- Q12. The new tower provides a 20' setback from Santa Monica Blvd, which is less than the approved 35' setback. What is the impact of this?
- A. The setback changes outlined in the Initiative are actually a change in terminology and the method for measuring the setback, and do not alter the location of the building's footprint. The approved Specific Plan provided for a 35' setback from the curb face of Santa Monica Boulevard, while the Initiative provides for a 20' setback from the property line along Santa Monica Boulevard. The sidewalk along Santa Monica Boulevard is 15' in width, which accounts for the 15' setback difference between the approved Specific Plan and Initiative. Although confusing, the change in terminology does not move the building any further south toward Santa Monica Boulevard.
- Q13. Are there any new queuing or parking impacts that result from the Initiative?
- A. The Initiative results in a shift in vehicle distribution due to the elimination of the driveway access from Merv Griffin Way associated with the Residences A Building; however, according to the consultant's traffic analysis, the shift is limited and does not trigger any new traffic impacts. Additional detail and analysis are provided on page 27-28 of the 9212 Report.
- Q14. What is the total breakdown of all open space?
- A. The Initiative does not provide a sufficient level of detail to determine the total breakdown of open space on the subject property. However, Figure 22 of the Initiative identifies the following generalized breakdown:
1. 169,415 square feet (3.89 acres) of landscape and pedestrian areas at ground level.
 2. 56,206 square feet (1.29 acres) of design paving.
 3. 9,049 square feet (0.2 acres) of hardscape space at ground level.
 4. 154,927 square feet (3.56 acres) of building coverage.
- Q15. What is the footprint of Residences Building A, which is proposed to be eliminated?
- A. Residences Building A has maximum length and width dimensions of 183' x 106'. The building is partially tapered so the precise footprint area cannot be calculated based on the level of detail provided; however, simple multiplication of length x width yields an approximate footprint of 19,398 square feet.
- Q16. What are the noise impacts associated with the rooftop pool and outdoor event space?
- A. The rooftop pool and outdoor event space have the possibility to generate additional noise beyond what was contemplated in the approved Specific Plan.

Additional details and analysis concerning noise impacts are provided on pages 20-21 of the 9212 Report.

- Q17. How have the parking plans for the project changed?
- A. The total number of parking spaces has not been modified as a result of the Initiative; however, the overall layout has been reconfigured in response to the change in building distribution, particularly internal circulation and ramp location. Consistent with the original Specific Plan, the parking plan will continue to require review by the City's Transportation Engineer prior to issuance of building permits.
- Q18. Is there a difference in rooftop uses between the approved Residences Building B and the new Residences Building?
- A. The overall rooftop uses between the two buildings appear to be generally similar in nature, in that they both contemplate a pool, restrooms, and associated ancillary uses. However, extensive details have not been provided for the original Residences B Building or for the new Residences Building, so it is not possible to determine the overall level of compatibility between the two rooftop designs.
- Q19. The Initiative includes 10 new staff rooms. Can these be sold individually?
- A. The Initiative states that the staff rooms shall be accessory to the previously approved 110 condominium units, shall be no greater than 500 square feet in size, and shall not include kitchen facilities, so as to not qualify as individual residential units. As the staff rooms are accessory to the condominium units, they do not appear to be able to be sold individually; however, the Initiative does not provide details on whether the staff rooms are tied to specific condominium units, or can be purchased in conjunction with any unit in the building.
- Q20. The Initiative deletes certain references to implementation of a graywater system. How does this affect the overall project and associated water consumption?
- A. Modifications to the graywater requirements are addressed on page 23 of the 9212 Report.
- Q21. Does the Fire Department have sufficient equipment and staff to serve such a tall building?
- A. The Fire Department has confirmed that they have sufficient equipment and staff to serve the new Residences Building. Additional details pertaining to this determination are provided on page 22 of the 9212 Report.
- Q22. Does the Police Department have sufficient equipment and staff to serve such a tall building?
- A. The Police Department has confirmed that they have sufficient equipment and staff to serve the new Residences Building. Additional details pertaining to this determination are provided on page 22 of the 9212 Report.

- Q23. Can the development agreement be amended in conjunction with the Initiative?
- A. The Initiative does not propose any amendments to the development agreement, and the City does not have authority to amend the development agreement without mutual agreement by the property owner.
- Q24. Does the Initiative modify the required easements for accommodating bus turnouts on Wilshire and Santa Monica Boulevards?
- A. No, the requirement for bus turnout easements is set forth in the development agreement and is not modified by the Initiative.
- Q25. What is the difference between the terms “plan” and “figure?”
- A. The term “plan” generally appears to relate to the overall specific plan, which is the entire plan that governs development and operation of the subject property. The term “figure” generally appears to be used as a reference to individual exhibits set forth in the specific plan, such as the Luxury Residences Building Design, which is called out as “Figure 18B.” However, these are not defined terms and it possible they may have been used interchangeably by different authors or speakers.
- Q26. What is the normal review process for a specific plan amendment in comparison to the initiative process?
- A. An amendment to a Specific Plan typically requires preparation of supplemental CEQA environmental review, multiple public hearings before the Planning Commission and City Council, as well as potential modifications to the development agreement to ensure that appropriate public benefits are provided in order to offset any environmental impacts and account for the benefits received by the developer. Further, Section 5.4 of the existing Beverly Hilton Specific Plan outlines the triggers for various levels of review. The Initiative is not subject to any of these review requirements. Additional information concerning the differences between the two paths is provided on pages 24-25 of the 9212 Report.
- Q27. Can the condominiums be used as additional hotel rooms?
- A. The Initiative does not directly address this issue. The City’s Municipal Code classifies hotels as allowing for stays of less than 30 consecutive days, with stays of 30 consecutive days or more being residential in nature. Accordingly, the Residences Building is not categorized as a hotel, and therefore would not be permitted to allow stays of less than 30 consecutive days.
- Q28. Does the Initiative exempt the project from any fees?
- A. The Initiative does not modify any fees applicable to the project. The project will continue to be subject to all public benefit fees set forth in the development agreement, as well as all applicable plan check and building permit fees.
- Q29. Are moving vans and loading operations for the Residences affected by the Initiative?

- A. The Municipal Code does not require multi-family residential developments to provide dedicated loading space. The approved specific plan does not include loading requirements for the condominium units, except that a loading management plan must be prepared prior to the project being occupied. Although not defined in the Initiative, it is anticipated that loading operations, depending on the size of truck, would either occur within the subterranean garage or the at-grade motor court. Given that 36 units from the Residences A Building would be combined with the Residences B Building, there may be a greater concentration of loading activities at the individual building, which would need to be assessed as part of the loading management plan.
- Q30. Does the City have any recourse if the revised project in the Initiative is ultimately found to be infeasible from a functionality standpoint?
- A. There is no specific requirement that the Initiative be feasible or functional, as the Initiative is not subject to review under CEQA. If approved, the project outlined in the Initiative would be allowed to move forward with construction, provided it meets all applicable building code standards.
- Q31. Are promises made by the developer binding on the project?
- A. The City does not have the ability to enforce promises made by the developer that are either not clearly set forth in the Initiative or Specific Plan, or guaranteed by some other written covenant or agreement recorded against the property.
- Q32. Where will employees park?
- A. The Initiative does not change any of the existing project conditions pertaining to employee parking. As approved, the Specific Plan does not require the hotel to provide its employees with free on-site parking, but does require annual parking surveys to be conducted. If the annual parking surveys determine that employee parking is occurring in residential neighborhoods, the Director of Community Development shall have the authority to require the provision of free on-site parking.
- Q33. Will the original Hilton tower, designed by Welton Becket, be declared historic as part of the Initiative?
- A. The original Hilton tower is not currently designated as a local, state, or national landmark, nor is it proposed to become a landmark as part of the Initiative; however, the original Hilton Tower does possess historic value, and would likely be eligible for either voluntary or involuntary landmarking. In addition, any attempt to demolish the tower would require a 30-day review that could trigger City intervention.
- Q34. Does the Specific Plan's Environmental Impact Report (EIR) prevail over the Initiative?
- A. The Initiative does not include any changes to the EIR, but is also not subject to CEQA, so to the extent that mitigation measures are still applicable to the overall project (rather than the specific elements of the Initiative), they would continue to

be enforced going forward. However, portions of the Initiative that are inconsistent with the EIR would prevail over the EIR. Additional analysis would be required to determine potential inconsistencies and how they would be addressed.

Q35. How will the ground floor of the Residences Building be used? Are there any changes to the original approval or additional meeting space?

A. Neither the approved Specific Plan, nor the Initiative, provides a sufficient level of detail to fully understand the ground-floor configuration. Any ground-floor uses within the Residences Building would need to be accessory to the residential uses in order to be in compliance with the Specific Plan, which means that while meeting space could be created, it would be limited to use by the residential units.

Q36. How is the conference space changing as a result of the Initiative? Is it being increased?

A. The Initiative eliminates the conference center building, and instead distributes the approved conference space throughout the property by adding to the existing building. While the location of conference space is redistributed, the overall square footage of conference space is not being increased as a result of the Initiative; however, the Initiative eliminates the 22,000 square foot cap for the conference center floor area.

REPORTS PREPARED BY PROPERTY OWNER

An Environmental Assessment report prepared by Ramboll Environ US Co. (Attachment 2) and an Economic Impact Analysis prepared by the Los Angeles County Economic Development Corporation's Institute for Applied Economics (Attachment 3) are also attached to this report. Both of these documents have been submitted to the City by the Initiative petitioner. As these reports were not prepared by an independent consultant retained by the City and City Staff has had very limited time to review the petitioner's two submitted reports, Staff cannot attest to the veracity of the analysis and statements included in the two documents. In addition, the reports were not relied upon for preparation of the City's independent 9212 Report.

RECOMMENDED ACTION

Receive information pertaining to the "Beverly Hills Garden and Open Space Initiative," including the 9212 Report requested by the City Council (Attachment 1). Discuss the item and direct staff as to further action, if required.

Susan Healy Keene, AICP
Director of Community Development


Approved By