



AGENDA REPORT

Meeting Date: November 7, 2016

Item Number: C-1

To: Honorable Mayor & City Council

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

Subject: 9900 Wilshire Boulevard Specific Plan Amendment, Development Agreement, and Final Supplemental Environmental Impact Report to convert a portion of the previously approved project from condominiums and retail space into a luxury hotel with ancillary uses. The proposed project also includes rooftop amenities, open air dining areas, and a new motor court access from North Santa Monica Boulevard (One Beverly Hills Project).

- Attachments:**
1. Required Findings
 2. Planning Commission Resolution No. 1793
 3. Revised Specific Plan Language as adopted by Planning Commission – Track Changes
 4. Revised Conditions of Approval as adopted by Planning Commission – Track Changes
 5. Revised Development Agreement as adopted by Planning Commission – Track Changes
 6. Planning Commission Staff Reports (Without Attachments)
 7. Additional Studies and Peer Reviews prepared by Fehr & Peers and Rincon Consultants for Planning Commission
 8. Motor Court Access Options
 9. Revised Subterranean Driveway Design (Submitted by Applicant)
 10. Hotel Loading Dock Counts (Prepared by City Staff)
 11. Simultaneous Event Studies (Submitted by Applicant)
 12. Parking Demand Study (Submitted by Applicant)
 13. Limousine, Towncar, and Rideshare Staging Diagrams (Submitted by Applicant)
 14. Fiscal Impact and Market Study Reports (Submitted by Applicant)
 15. Prior Planning Commission and City Council Approvals (2008) and Administrative Modification (2012)
 16. Public Notice
 17. All Correspondence Received from the Public
 18. Revised Draft Development Agreement as negotiated by City Council Ad-Hoc Committee – Track Changes
 19. Architectural Plans (Provided as a Separate Attachment)
 20. Final Supplemental Environmental Impact Report (Provided as a Separate Attachment, and available online at www.beverlyhills.org/environmental)
 21. Memorandum from City Attorney Regarding Legislative Advocacy
 22. Appeals of Planning Commission Recommendation
 23. Additional Correspondence Received from the Public

RECOMMENDATION

Staff recommends that the City Council consider the analysis provided in this report, conduct a public hearing, and direct staff to return at a future meeting with a resolution memorializing the City Council's findings.

BACKGROUND

The proposed One Beverly Hills Project (Proposed Project) consists of modifications to the approved 9900 Wilshire Specific Plan. The City adopted the 9900 Wilshire Specific Plan in April 2008 and subsequently approved an Administrative Modification to the Specific Plan in December 2012 (Approved Project). The Approved Project includes 235 residential units, 15,856 sf of commercial building area, and 876 subterranean parking spaces. A two-story commercial building is also allowed along the north side of Santa Monica Boulevard, continuing north along Merv Griffin Way. The Approved Project included a Vesting Tentative Tract Map and Development Plan Review to subdivide the airspace for the condominiums. These entitlements were first approved on December 18, 2008, and were valid for a period of 2 years. Due to the economic recession, various pieces of state legislation were passed, which granted automatic renewals to Vesting Tentative Tract Maps. These bills resulted in a total of six years of extensions, establishing a new expiration date for the Approved Project of December 18, 2016. Although the expiration date of the previously approved entitlements is approaching, options for further extensions remain available through both the development agreement and provisions set forth in the Beverly Hills Municipal Code. Should the Proposed Project be approved, new entitlement timeframes would be established within the development agreement.

The Proposed Project seeks to convert a portion of the Approved Project from condominiums and retail space into a luxury boutique hotel with ancillary uses. The Proposed Project also includes rooftop amenities, open air dining areas, and a new motor court access from North Santa Monica Boulevard

The Planning Commission held a total of seven meetings to consider the Proposed Project over the course of several months, as listed below:

- May 12, 2016 (Draft SEIR)
- August 23, 2016
- September 19, 2016
- September 26, 2016
- October 10, 2016
- October 13 2016
- October 19, 2016 (Resolution Adopted)

At the conclusion of the October 19, 2016 meeting, the Planning Commission voted 3-1 in favor of adopting a resolution recommending that the City Council approve the Specific Plan Amendment; finding that the Development Agreement as proposed by the Applicant is consistent with the City's General Plan; and recommending that the City Council make findings regarding the Final SEIR under CEQA. These recommendations made by the Planning Commission were not final decisions, and final decision rests with the City Council. Thus, the Planning Commission's recommendation is not appealable (see Attachment 22). Contingent on City Council approval of the Specific Plan Amendment, Development Agreement, and Final SEIR, the Planning Commission would then be the reviewing authority for a Vesting Tentative Tract Map and

Development Plan Review, which would be reviewed at a later time.

Throughout their deliberations, all five Planning Commissioners unanimously expressed support of the overall concept of changing the use from condominiums to hotel; use of a Supplemental Environmental Impact Report as the appropriate CEQA review document; and the overall quality of the architectural design of the buildings themselves. Notwithstanding, due to concerns regarding specific project components, Commissioner Gordon did not vote in favor of the resolution. Commissioner Block was not present at the October 19, 2016 meeting, but had identified concerns with design aspects of the proposed project at the previous Planning Commission hearings and indicated that he could not make a recommendation of approval of the proposal as currently configured.

This report provides a summary of Staff's analysis as presented to the Planning Commission, and includes information on the Commission's deliberation and findings with respect to each issue that was discussed.

PROJECT DESCRIPTION

The Proposed Project matches the 901,514 sf of total floor area the floor area of the Approved Project. The Proposed Project includes up to 193 condominiums and a luxury hotel with up to 134 rooms located in two buildings ("North Building" and "South Building"). The Proposed Project also includes development of a smaller building located to the east of the South Building. The smaller building was identified as a "spa pavilion" in the Approved Project. In the Proposed Project the smaller building will be shifted to the north and used as an ancillary structure for the hotel lobby and meeting/ballroom space. The proposed building heights of the Proposed Project match the maximum heights of the Approved Project. A maximum height of 185 feet and 15 stories is proposed for the South Building and 161 feet and 13 stories for the North Building. Thus, the Proposed Project will not increase the building heights already approved for the site.

The Proposed Project includes minor changes to the footprint of the North and South Buildings. The width of the South Building and North Building would increase by five feet along the eastern sides. However, there would be reductions of approximately 10 feet on both the east and west sides of the South building on floors two, three, four, and five. The total floor area of the Proposed Project is identical to the Approved Project, resulting in no net change.

The North Building would contain 102 condominium residences and resident serving amenities such as a rooftop pool. The South Building would contain 91 condominium residences. The 134-room hotel would be located solely in the South Building along with all of the hotel-related facilities other than the meeting space, which would be located in the adjacent building to the east of the South Building. The hotel's guestrooms would be located on levels two, three, four, and a portion of level five of the South Building.

The proposed hotel includes a main ballroom and three meeting rooms totaling 7,942 square feet, along with pre-function space and ancillary facilities. Food and beverage facilities would include a VIP Function Room, an all-day dining restaurant, a fine dining restaurant, and a rooftop bar, resulting in a cumulative total of approximately 16,057 square feet. In addition, there would be 1,600 square feet of outdoor dining space and a 1,907 square foot lobby lounge. Other hotel uses would include a 14,435 square foot spa and fitness facility and a 2,484 square foot hotel boutique shop. Table 2-3 on page 8 of this report compares the Approved Project to the Proposed Project.

The Approved Project included a public open space component consisting of 0.81 acres at the corner of Merv Griffin Way and Wilshire Boulevard, as well as along the western side of Merv Griffin Way. The Proposed Project maintains the same 0.81-acre size of public open space, with slight shifts in shape to account for various revisions to the subterranean driveway design.

Site Access and Parking

Vehicle access to the site is designed to separate residential traffic from hotel traffic. A motor court accessible from North Santa Monica Boulevard would provide vehicular access to the hotel located within the South Building. This motor court would replace the Approved Project's public, self-parking garage access on North Santa Monica Boulevard. All hotel guests, including guests utilizing the restaurants or the meeting space, would be required to valet park their cars unless the vehicle is being parked in the motor court. Residents and their guests would access their residences via a private, secured drive at the west property line that is accessible from both Wilshire Boulevard and Santa Monica Boulevard, and runs parallel to the western property line shared with the Los Angeles Country Club. Multiple small-scale building lobbies have been incorporated into both the North and South Buildings to provide private elevator access to residences.

All parking (other than motor court parking) would be located below grade, with hotel parking separated from residential parking. All parking other than residential parking will be valet. The total depth of the parking garage would be approximately 42 feet in order to accommodate three levels of parking. A total of approximately 1,140 parking spaces would be provided. This takes into account Beverly Hills Municipal Code (BHMC) permitted reductions and/or other means to provide legally adequate parking for the One Beverly Hills project. Similar to the Approved Project, loading docks and staff parking would be below grade and accessible from Merv Griffin Way.

The application for the Proposed Project included two options for site access. The two options submitted to the City for evaluation provided different configurations to address access to: the private drive for residences; the hotel motor court (for hotel guests, spa and restaurant visitors, taxis, shared ride vans, private cars/limos, and the hotel valet service); and access to Merv Griffin Way. After receiving comments during the circulation period for the Draft SEIR, including comments from the Planning Commission hearing held on May 12, 2016, a revised version of Option 2 is being proposed as the preferred motor court access option. This preferred option would allow two-way access from Santa Monica Boulevard with a left turn lane, as well as a two-way access from Merv Griffin Way. This option would maintain the Approved Project's private drive for residential access along the project's western boundary as well as access to the subterranean loading area from a driveway on Merv Griffin Way. Further discussion of site access and circulation is provided in the Analysis section of this report. All considered motor court options are also described and illustrated in the Final SEIR (provided as Attachment 20 to this report), and the potential effects of each option on local traffic levels of service are discussed in Section 4.5 of the Final SEIR, *Transportation and Traffic* (under Impact T-3).

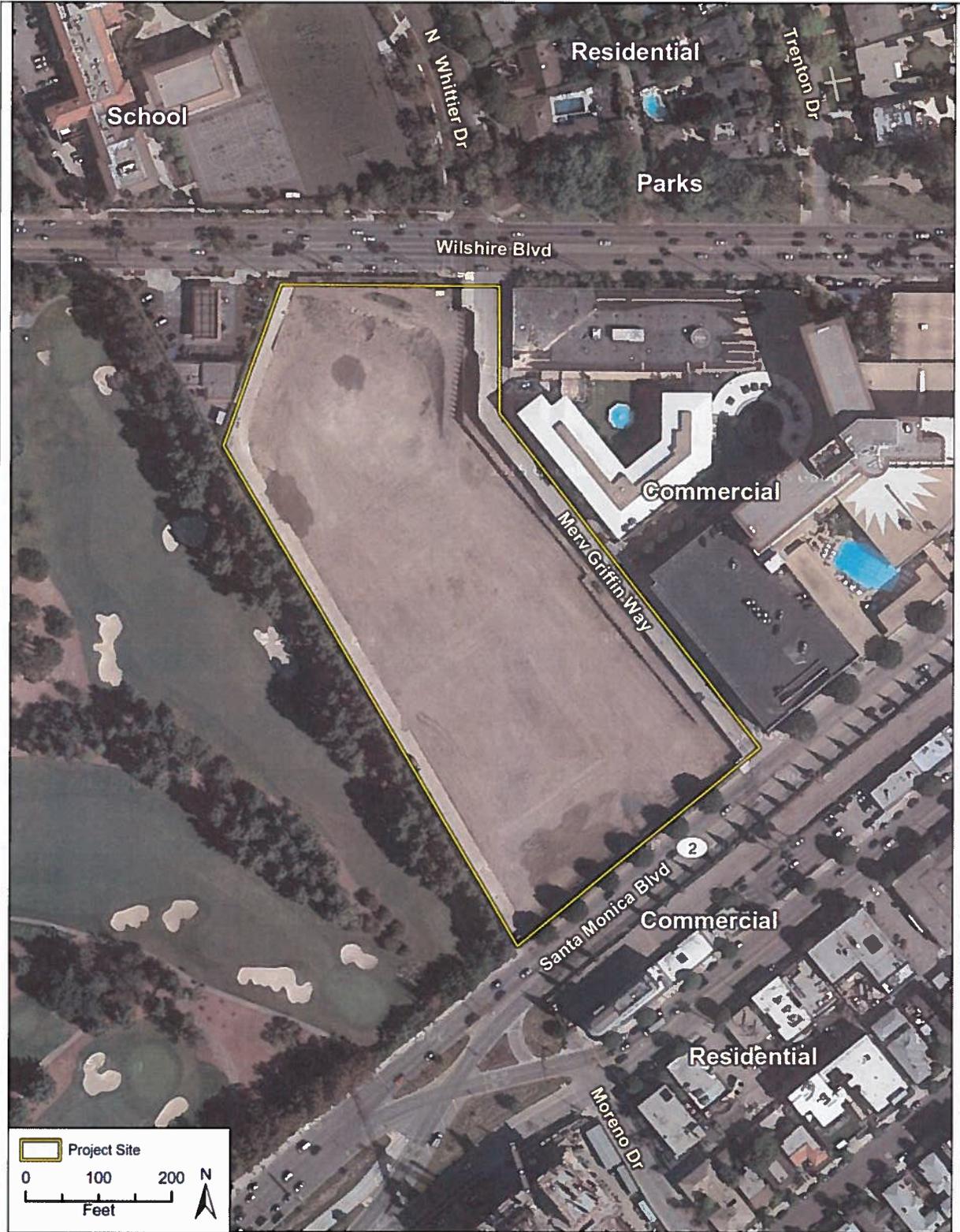
Over the course of Planning Commission's project deliberations, various changes were made to the design and operation of the circulation elements of the site. These include:

- Widening and adjustment of the subterranean driveway ramp design along Merv Griffin Way to allow easier turning movements into and out of the driveway for delivery trucks
- Widening Merv Griffin Way on either side of the subterranean driveway ramp entrance and limiting access to the ramp to right turn in and right turn out only

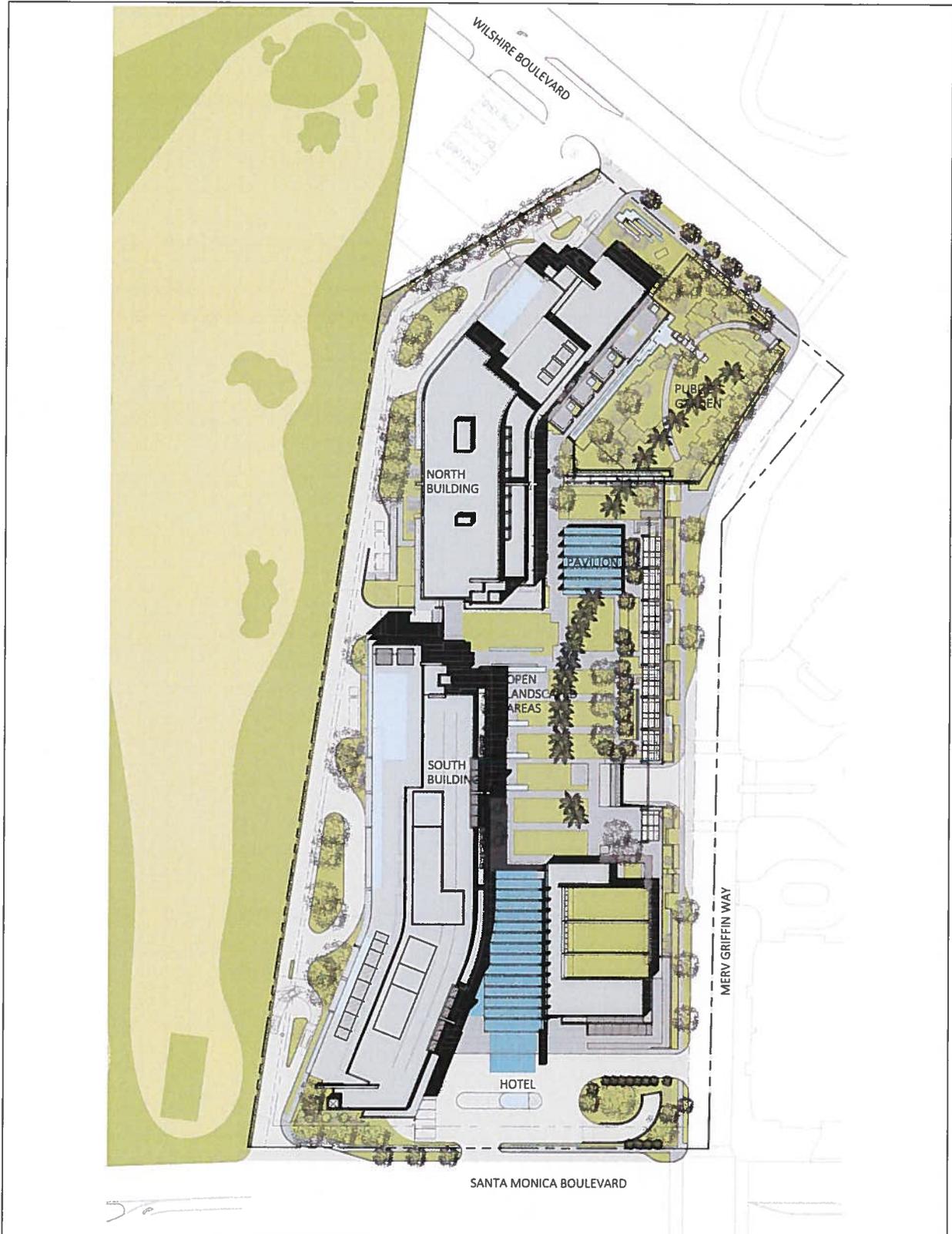
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9900 Wilshire Boulevard (One Beverly Hills)

- Requiring installation of barriers along Santa Monica Boulevard to prohibit eastbound left turns from the hotel motor court onto Santa Monica Boulevard;
- Include painted 'Keep Clear' roadway signage at the Merv Griffin and Santa Monica Boulevard access points to the hotel motor court.

These measures are more fully described and analyzed in the Analysis section of this report.



Project Location



Proposed Site Plan

Table 2–3: Comparison of the Approved Project and Proposed Project

Use	Approved Project	Proposed Project	Change
Residential			
Efficiencies	0	0	0
1 Bedroom	35	41	+6
2 Bedrooms	106	67	-39
3 Bedrooms	62	22	-40
3 Bedrooms with Den	0	36	+36
4 Bedrooms	19	15	-4
4 Bedrooms with Den	0	0	–
Townhouse (2 Bedroom)	0	5	+5
Penthouse (5 or more bedrooms)	13	7	-6
Total Residential Units	235	193	-42
North Residential Building Floor Area	327,448 SF	324,429 SF	-3,019 SF
South Residential Building Floor Area	486,408 SF	341,009 SF	-145,399 SF
Other Residential Space Floor Area	71,802 SF	31,785 SF	-40,017 SF
Total Residential Area	885,658 SF	697,223 SF	-188,435 SF
Commercial			
Retail	11,656 SF	0 SF ¹	-11,656 SF
Restaurant	4,200 SF	0 SF	-4,200 SF
Total Commercial Area	15,856 SF	0 SF	-15,856 SF
Outdoor Dining (not counted in commercial floor area)	600 SF	1,600 SF	+1,000 SF
Hotel			
Hotel Rooms	0	134	+134
Hotel Floor Area			
Hotel Rooms	0 SF	95,921 SF	+95,921 SF
Restaurant/Lounge/Bar	0 SF	16,057 SF	+16,057 SF
Hotel Shops	0 SF	2,484 SF	+2,484 SF
Ballroom/Meeting Rooms	0 SF	7,942 SF	+7,942 SF
Amenity, Storage, BOH	0 SF	65,545 SF	+65,545 SF
Spa & Fitness	0 SF	14,435 SF	+14,435 SF
Hotel & Lobby Lounge	0 SF	1,907 SF	+1,907 SF
Total	0 SF	204,291 SF	+204,291 SF
Grand total SF	901,514 SF	901,514 SF	0 SF

¹The hotel includes restaurants and shops under the Proposed Project.
 SF = square feet ; BOH = back of house

ENVIRONMENTAL ASSESSMENT

The subject project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines¹, and the environmental regulations of the City. Pursuant to CEQA Guidelines Section 15163, a lead agency may choose to prepare a supplement to an EIR rather than a subsequent EIR if any of the conditions described in Section 15162 would require the preparation of a subsequent EIR, and only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation. The Guidelines further state the following:

- *The supplement to the EIR need contain only the information necessary to make the previous EIR adequate for the project as revised.*
- *A supplement to an EIR shall be given the same kind of notice and public review as is given to a draft EIR under Section 15087.*
- *A supplement to an EIR may be circulated by itself without recirculating the previous draft or final EIR.*
- *When the agency decides whether to approve the project, the decision-making body shall consider the previous EIR as revised by the supplemental EIR. A finding under Section 15091 shall be made for each significant effect shown in the previous EIR as revised.*

The Proposed Project is similar to the Approved Project originally entitled in 2008 and last modified in 2012, and only minor additions or changes are necessary to make the previous EIR adequately apply to the Proposed Project; therefore, the City has determined that preparation of a Supplemental EIR (SEIR) is appropriate for evaluation of the modified project. The SEIR focuses on CEQA issue areas identified in the Initial Study as potentially having environmental impacts above and beyond those associated with the Approved Project, as identified in the 2008 Final EIR and 2012 Addendum (hereafter, collectively referred to as the FEIR). The following issues are studied in the SEIR:

- *Air Quality*
- *Greenhouse Gas Emissions*
- *Land Use*
- *Noise*
- *Transportation/Traffic*
- *Utilities and Service Systems (Water supply)*
- *Appendix F Analysis*

The above issue areas included gathering of updated data to prepare new analyses, including all new traffic counts, update of the cumulative projects list, new noise measurements, and new air quality measurements to ensure that all potential impacts from changes in circumstances were adequately studied and disclosed.

The alternatives section of the Final SEIR (Section 6.0), which is intended to study the potential environmental impacts associated with alternative development scenarios in lieu of the Proposed Project, was prepared in accordance with Section 15126.6 of the *CEQA Guidelines*. The alternatives discussion evaluates the CEQA-required “no project” alternative and two alternative development scenarios for the site.

In preparing the Final SEIR, use was made of pertinent City policies and guidelines, certified EIRs and adopted CEQA documents, and background documents prepared by the City. A full reference

¹ The CEQA Guidelines and Statute are available online at <http://ceres.ca.gov/ceqa/guidelines>

list is contained in Section 7.0 of the Final SEIR, *References and Report Preparers*.

The proposed One Beverly Hills Project (Proposed Project) is an alteration of the approved 9900 Wilshire Project (Approved Project). The City of Beverly Hills certified a Final Environmental Impact Report for the 9900 Wilshire Project in accordance with CEQA in April 2008. The City subsequently approved an Administrative Modification to the Specific Plan in December 2012, with a CEQA addendum to the Certified Final EIR. For the purposes of the SEIR, the Approved Project (the 9900 Wilshire Specific Plan as modified in 2012) was used as the baseline for the analysis as it represents what is currently permitted for development at the Project site.

Based on the studies and analysis contained in the Final SEIR, the following were identified as areas with an increase in the severity of a previously identified significant and unavoidable impact:

- **Impact AQ-2:** On-site construction activity would generate temporary emissions. Such emissions may result in temporary adverse impacts to local air quality. The 2008 FEIR identified a significant and unavoidable impact related to construction of the Approved Project due to NOx emissions in excess of the SCAQMD threshold. Construction of the Proposed Project would also generate NOx emissions that exceed SCAQMD thresholds and, under the 2.5-month grading scenario, would generate maximum daily NOx emissions substantially exceeding those of the Approved Project. Therefore, construction activity associated with the Proposed Project could increase the severity of the previously identified significant and unavoidable impact for the Approved Project.
- **Impact N-3:** Construction activities associated with the Proposed Project could generate ground-borne vibration. The 2008 FEIR determined that impacts related to construction-generated vibration would be significant and unavoidable. Construction-related vibration associated with the Proposed Project would be similar to that identified for the Approved Project in the 2008 FEIR, but the overall duration of construction activity would be about 18 months longer. Therefore, the Proposed Project would increase the severity of the significant and unavoidable vibration impact identified for the Approved Project in the 2008 FEIR.

In order to approve the Proposed Project, the City Council will need to adopt an updated Statement of Overriding Considerations regarding the increase in the severity of these previously identified significant and unavoidable impacts.

PUBLIC OUTREACH AND NOTIFICATION

Notice of this hearing has been provided in the *Beverly Hills Courier* and *Beverly Hills Weekly*. In addition, mailed notice was sent to all property owners and residential occupants within 500 feet (plus block-face) of the project site, and a notice was posted on the property as detailed in the table below:

Type of Notice	Required Period	Required Notice Date	Actual Notice Date	Actual Period
Posted Notice	N/A	N/A	11/04/2016	3 Days
Newspaper Notice	10 Days	10/28/2016	10/28/2016	10 Days
Mailed Notice (Owners & Residents - 500' Radius + blockface)	10 Days	10/28/2016	10/28/2016	10 Days
Property Posting	10 Days	10/28/2016	10/28/2016	10 Days
Website	N/A	N/A	11/04/2016	3 Days

To date, staff has received correspondence from one resident expressing concerns regarding the proposed hotel use, water use, uncertainty in tax revenue, and increased traffic. Staff has also received numerous forms of correspondence from representatives of the Beverly Hilton/Oasis West Realty expressing concerns regarding site planning, specifically the access to the loading area being located on Merv Griffin Way; lack of verifiable data, including data on anticipated loading activities and their frequency; site access, circulation, and traffic, both during construction and during project operation; and nighttime construction noise.

All correspondence received regarding the Proposed Project (and unrelated to the Draft or Final SEIR) is included in this report as Attachment 17. Staff also received four comment letters in response to the Notice of Preparation. These comment letters, including responses from the City, are included in Appendix A of the Final SEIR, which was provided to the City Council under separate cover in August, 2016. During the 45-day circulation period for the Draft SEIR, staff received 16 comment letters. These comments related mainly to the adequacy of the Draft SEIR. These comments, along with responses from the City, are included in *Section 8* of the Final SEIR.

GENERAL PLAN POLICIES

The General Plan includes numerous goals and policies relevant to the City Council's review of the project. A full analysis of the Proposed Project's consistency with the General Plan is provided in *Section 4.3 Land Use and Planning*. A select number of particularly relevant General Plan Policies for the Planning Commission's consideration are listed below:

- **Policy LU 2 Community Character and Quality.** A built environment that is distinguished by its high level of site planning, architecture, landscape design, and sensitivity to its natural setting and history.
- **Policy LU 2.7 City Gateways.** Explore opportunities for public improvements and private development to work together to enhance the sense and quality of entry at key gateways into the City.
- **Policy LU 2.10 Development Transitions and Compatibility.** Require that sites and buildings be planned, located, and designed to assure functional and visual transitions between areas of differing uses and densities by addressing property and height setbacks, window and entry placement, lighting, landscape buffers, and service access.

- **Policy LU 9.3 Anchor Locations.** It is also recommended that certain anchor locations be set aside to permit development of a higher intensity type of development which is not otherwise provided in the community. These areas should be located so as to be accessible from the City's major shopping areas and close to the City's major streets. These anchor locations should include those large parcels that are located at the gateways to the City, such as the site at 9900 Wilshire Boulevard where additional building height is appropriate. A variety of land uses such as commercial, residential, and mixed use should be considered for the gateway locations. A change of use from commercial to residential or mixed use should be allowed only if such change provides an adequate transition to adjacent single-family neighborhoods.
- **Policy LU 11.2 Site Planning and Architectural Design.** Require that commercial and office properties and buildings are planned and designed to exhibit a high level of site and architectural design quality and excellence.
- **Policy LU 12.1 Functional and Operational Compatibility.** Require that retail, office, entertainment, and other businesses abutting residential neighborhoods be managed to assure that businesses do not create an unreasonable and detrimental impact on neighborhoods with respect to safety, privacy, noise, and quality of life by regulating hours of operation, truck deliveries, internal noise, staff parking and on-site loitering, trash storage and pick-up and other similar business activities.
- **Policy LU 15.2 Priority Businesses.** Retain and build upon the key business sectors contributing to the City's identity, economy, and revenue for resident services, such as entertainment-related Class-A offices, high-end retail and fashion, restaurant, hotel, technology, and supporting uses.
- **Policy CIR 1.1 Roadway Improvements.** Study and implement opportunities for improving traffic flow on City roadways during Peak hours. Work collaboratively with regional agencies and adjacent jurisdictions to coordinate interface of adjacent roadways.
- **Policy CIR 1.2 Intersection Improvements.** Study and implement opportunities for capacity improvements at City intersections, such as the intersection of Wilshire Boulevard and North Santa Monica Boulevard, to improve traffic flows along major roadways. Work collaboratively with regional agencies and adjacent jurisdictions to help improve the capacity at these intersections.
- **Policy ES 1.4 Retain Existing Industries.** Consistent with future economic sustainability plans, encourage existing industries such as luxury retail, tourism, hoteling, finance, entertainment and media businesses and services to remain and expand within the City.
- **Policy ES 1.5 Attract New businesses and Industries.** Consistent with future economic sustainability plans, encourage and attract new businesses in existing industries and new industries to locate and expand within the City in order to ensure a diverse, leading-edge business community.

ANALYSIS

Site Planning. The Approved Project included a total of three main buildings consisting of:

- A 13-story North Condominium Building with a building height of 108 feet at the north end of the building and 161 feet at its south end. The North Condominium Building is located along the northwest portion of the site near Wilshire Boulevard
- A 185-foot tall, 15-story South Condominium Building located along the southwest portion of the site near Santa Monica Boulevard
- A 28-foot tall Spa Pavilion with restaurant and retail uses located in the southeast portion of the site along Santa Monica Boulevard and closer to Merv Griffin Way

The Proposed Project results in no change to the heights of the condominium buildings, and includes a minor reduction in the height of Spa Pavilion structure. Some reconfiguration in the location and footprint of the three buildings are proposed in order to accommodate the motor court entrance along Santa Monica Boulevard. These proposed changes result in the perception of less building mass at the Santa Monica Boulevard frontage. Additionally, other minor adjustments to the footprints of the North and South Condominium Towers, which will likely be imperceptible and would not constitute a substantial change from the Approved Project. Furthermore, the overall architectural design of the revised buildings will be subject to Architectural Review, and is consistent with the general design contemplated in the Approved Project.

The Approved Project included a residential driveway along the western boundary of the project site; an access driveway to the restaurant and retail parking and loading areas from Santa Monica Boulevard; and an access driveway to the restaurant and retail parking and loading areas from Merv Griffin Way. The Proposed Project maintains largely the same access configuration, with the exception of introducing a motor court along Santa Monica Boulevard to serve as the entrance to the hotel and ancillary amenities. The hotel motor court would also have a secondary access point along Merv Griffin Way.

Planning Commission Comments

During project deliberation, Planning Commissioners did not express concerns regarding the height, footprint, or design of the Proposed Project. There was overall positive feedback regarding the architectural design of the buildings. At least two members of the Planning Commission expressed a desire for alternative site access configurations. The identified site access and circulation concerns were: a) a direct left turn access from Santa Monica Boulevard into the hotel motor court, and, b) the Merv Griffin Way location of the loading dock access. While all Commissioners expressed concerns regarding left turn access to the hotel Motor Court, the majority consensus was to follow the recommendations made by the City's traffic consultant and the City's Transportation Engineer.

Change of Use. The Proposed Project would replace 42 condominiums with 134 hotel rooms, and would include a lobby lounge would be located at the ground level, along with an outdoor dining area in the hotel garden. Various amenities and dining areas will also be added to the rooftop of the South Condominium Building, including indoor and outdoor dining and bar areas, a hotel spa that would be open to the public, and a function room. These changes in use will likely result in increased activity at the subject property when compared to the Approved Project, which did not include a hotel component, but did provide for nearly 16,000 square feet of retail space.

Although there is the likelihood of increased activity associated with the proposed hotel and ancillary uses, a boutique luxury hotel is more appropriate use for a site with higher density luxury residential uses than for sites in other areas in the City. If hotel was located elsewhere in the city it would likely be closer to single-family and lower density multi-family neighborhoods, where the potential for noise and other impacts would be higher. The site is also an appropriate location for a new hotel due to its close proximity to the Beverly Hilton Hotel and the Waldorf Astoria Hotel.

Planning Commission Comments

The Planning Commission considered the various compatibility issues typically associated with hotel uses in proximity to residential uses. At least two Commissioners agreed that the changes of use resulted in an intensification of the previously approved residential and retail uses. Nevertheless, there was general Commission consensus that a hotel use was appropriate for the site, provided that other issues could be addressed, such as access and loading activities. One Commissioner who found the change of use to be appropriate expressed a desire to represent the limitations of use accurately. In response to this comment, conditions of approval were updated to specify the square footage of each allowed use on the site, as well as specify the exact number of residential units and hotel rooms that would be allowed on the site.

The Planning Commission recommended conditions controlling operations of the ancillary hotel garden areas and outdoor event spaces. Use of the ancillary hotel garden areas has been conditioned to prevent the hotel garden areas from being used to increase the capacity of events held at the hotel ballroom and meeting rooms. The Commission also recommended a condition prohibiting amplified music in any outdoor dining areas; the hotel garden areas; the residential garden areas; and any outdoor live entertainment areas, as identified in the Specific Plan.

Traffic and Circulation. The Final SEIR includes a detailed analysis of the traffic impacts of the Proposed Project in Section 4.5 *Transportation and Traffic*, as well as in the Transportation Impact Study prepared by Fehr & Peers, which is included as Appendix D to the Final SEIR. The table below provides a comparison of the overall trip generation between the Approved Project and the Proposed Project in terms of total daily trips and peak hour trips.

Land Use	Approved Project	Proposed Project	Change
Daily Trips			
Condominiums	834	685	-149
Hotel	-	1,039	+1,039
Restaurant/Lounge/Bar	610	424	-186
Retail	501	-	-501
Spa	-	35	+35
Total Daily Trips	1,945	2,183	+238
AM Peak Hour Trips			
Condominiums	65	53	-12
Hotel	-	55	+55
Restaurant/Lounge/Bar	56	2	-54
Retail	12	-	-12
Spa	-	3	+3
Total AM Peak Hour Trips	133	113	-20
PM Peak Hour Trips			
Condominiums	78	64	-14
Hotel	-	76	+76
Restaurant/Lounge/Bar	52	44	-8
Retail	44	-	-44
Spa	-	4	+4

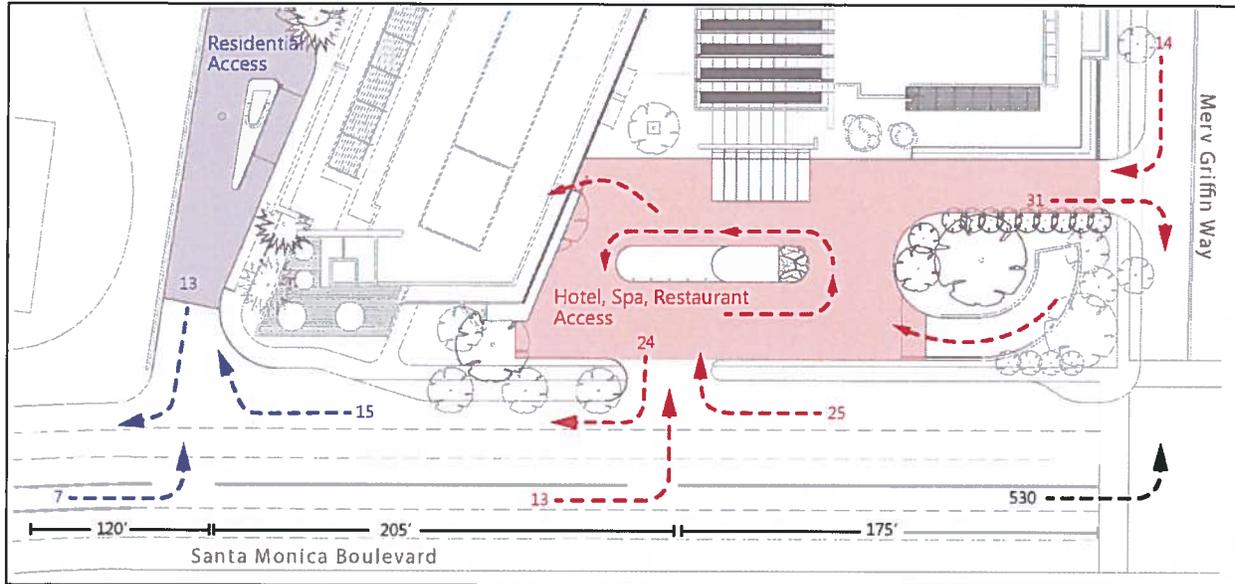
Total PM Peak Hour Trips	174	188	+14
Mid-day Peak Hour Trips			
Condominiums	78	64	-14
Hotel	-	65	+65
Restaurant/Lounge/Bar	78	24	-54
Retail	40	-	-40
Spa	-	4	+4
Total Mid-day Peak Hour Trips	196	157	-39
Saturday Peak Hour Trips			
Condominiums	69	56	-13
Hotel	-	35	+35
Restaurant/Lounge/Bar	48	20	-28
Retail	58	-	-58
Spa	-	4	+4
Total Saturday Peak Hour Trips	175	115	-60

As shown in the table, the Proposed Project results in an additional 238 total daily trips, which represents an approximately 12% increase over the Approved Project's total daily trips. Compared to the Approved Project, the Proposed Project results in an additional 14 trips during the PM Peak Hour. However, the Proposed Project results in a reduction of 20 AM Peak Hour trips, 39 Mid-Day Peak Hour trips, and 60 Saturday Peak Hour trips.

In order to determine the most effective circulation program for the project site, several circulation options were considered and studied in the Draft SEIR. All the studied options included a private residential driveway access located along the western boundary of the site, accessible from both Santa Monica Boulevard and Wilshire Boulevard. This residential driveway configuration is consistent with the Approved Project. The proposed loading area access point was also consistent with the Approved Plan and located at the eastern boundary of the site, accessible from Merv Griffin Way. A hotel motor court entrance is proposed along Santa Monica Boulevard to provide access for hotel guests, spa and restaurant visitors, taxis, shared ride vans, private cars/limos, and the hotel valet service. The five circulation options proposed by the applicant provided various alternatives for accessing this motor court along Santa Monica Boulevard. Two options were identified as the most feasible and were studied in the Draft SEIR².

Based on comments received during the Draft SEIR circulation period, including comments from the May 12, 2016 Planning Commission hearing regarding the SEIR document, Motor Court Option 1 has been modified and is now proposed by the applicant as the preferred motor court design. This preferred option allows two-way access from Santa Monica Boulevard with an east-bound left turn lane, as well as a permanent two-way access from Merv Griffin Way. This option would maintain the Approved Project's configuration of a private drive for residential access along the site's western boundary and loading access from Merv Griffin Way.

² All considered motor court options are also described and illustrated in the Final SEIR (also provided as Attachment 20 to this report), and the potential effects of each option on local traffic levels of service are discussed in Section 4.5 of the Final SEIR, Transportation and Traffic (under Impact T-3).



With the provision of a dedicated east-bound left-turn lane from Santa Monica Boulevard, revised Option 1 removes the need for a U-Turn at Merv Griffin Way, which reduces the likelihood of vehicular conflicts and provides easier access to the hotel motor court. Additionally, with a new two-way secondary access provided along Merv Griffin Way, vehicles leaving the site intending to travel eastbound will be able to exit at Merv Griffin Way and use the new signalized intersection at Santa Monica Boulevard to make a protected left turn, which is preferred over the previous version of Option 1 where vehicles would need to exit onto Santa Monica Boulevard and travel westbound into Century City and make a U-Turn to travel east into Beverly Hills. The addition of a secondary access point at Merv Griffin also provides flexibility for site access during periods where closures are necessary on Santa Monica Boulevard for various reasons, such as the Golden Globe Awards ceremony or infrastructure repairs.

With respect to the diagonal access configuration into the motor court from the corner of Merv Griffin Way and Santa Monica Boulevard, staff and the traffic consultant provided the following reasons for not recommending the configuration:

- The diagonal entrance to the Hotel Motor Court at the Merv Griffin Way & Santa Monica Boulevard intersection could result in driver confusion.
- The diagonal entrance to the Hotel Motor Court could result in high travel speeds for vehicles entering the hotel from westbound Santa Monica Boulevard.

Planning Commission Comments

The Planning Commission had extensive deliberations regarding the proposed motor court access. The left turn access into the motor court from eastbound Santa Monica Boulevard was a primary concern, due to the proximity of that left turn to the proposed residential access driveway left turn and the left turn onto Merv Griffin Way. These three consecutive left turns received much scrutiny during the Planning Commission process, from Commissioners as well as from representatives of the Beverly Hilton Hotel. The concerns related to the ability of the left turn pocket to accommodate three left turns during peak traffic hours without causing undue congestion and vehicular conflicts, primarily when vehicles attempt to pass those intending to turn left at either the residential driveway or the hotel motor court in order to reach the Merv Griffin

Way intersection.

During the hearings, City Staff, including the City's Traffic Engineer, along with the City's independent traffic consultant Fehr & Peers, provided testimony and answered questions as to the feasibility of the left turn lane and the access to various project components. In summary, the expert testimony concluded that the preferred motor court access option, which includes a left turn from eastbound Santa Monica Boulevard, provides the most advantages when compared to alternatives that either require a U-Turn at Merv Griffin Way, or that do not provide any eastbound access whatsoever. The preferred access alternative design is similar in design to other continuous/shared left-turn pockets in Beverly Hills and elsewhere, and the continuous left turn lane has adequate capacity to accommodate the maximum vehicle queuing demands during peak periods, while providing multiple options to disperse project trips. It was also noted that as part of the project, a traffic signal will be installed at Merv Griffin Way and Santa Monica Boulevard, which will provide protected left turns and will be synchronized with the traffic signal at Santa Monica Boulevard and Wilshire Boulevard, thereby improving overall traffic flow in the area. Finally, conditions have been recommended by the Planning Commission to restrict certain turning movements and keep driveway areas clear, while allowing the Director of Community Development to require additional traffic mitigation measures in the future, if any should be necessary. The Planning Commission discussed the potential of restricting right turns from Merv Griffin Way onto westbound Santa Monica Boulevard during the periods when eastbound traffic on Santa Monica Boulevard would be making protected left turns onto northbound Merv Griffin Way. The intent of this restriction was to keep westbound Santa Monica Boulevard clear during the protected left turn in order to create a gap in traffic during which vehicles could turn left into the hotel motor court from eastbound Santa Monica Boulevard. A consensus was not reached to include a condition specifically prohibiting these right turns from Merv Griffin Way onto Santa Monica Boulevard, however after construction and operation of the project, the overall circulation would be assessed by the City's Traffic Engineer to determine whether there is a sufficient gap for those turning left into the hotel motor court, or if additional restrictions are necessary. A condition was recommended allowing the Director of Community Development to impose additional conditions to improve traffic flow if any issues arise in the future.

At the conclusion of the deliberations, Commissioner Gordon expressed concerns with the left turn access to the hotel motor court, and cited it as one of the main reasons she could not support the Proposed Project as designed. Commissioner Block shared these concerns, and although he was not present to vote on the project, his remarks at the October 13, 2016 Special Meeting indicated that the left turns into the Proposed Project were a major concern. The remaining Commissioners also expressed concerns, but felt that the preferred motor court alternative was a workable design based on the analysis and testimony provided by the City's traffic engineer and Fehr & Peers, and with conditions of approval that implement various traffic control measures such as delineators and keep clear signage; require a one-year review by the Planning Commission to re-assess the Project; and allowing the Director of Community Development to require further traffic mitigations, that the Proposed Project can be recommended for approval with its motor court configuration.

Parking. The Approved Project, which consisted of 235 condominiums and 15,856 SF of commercial space, requires 876 parking spaces. With the Proposed Project's changes in use, including replacing a portion of the residential units with a 134-room hotel with ancillary facilities and bar/dining uses, the total parking requirement would be 1,140 spaces. This number accounts for the Beverly Hills Municipal Code's provision that 50% of the parking spaces required for the hotel use can satisfy the parking requirement for the associated commercial uses, as well as a 15% reduction in overall parking requirement, for which the Planning Commission found

that the location of the hotel, availability of public transportation, and proximity and concentration of shopping to the hotel site will result in the hotel not generating a need for the number of parking spaces otherwise required by the Municipal Code. The table below provides a summary of the parking requirement for the Proposed Project, assuming all allowable reductions are granted:

Use	# of Parking Spaces Required
Condominiums (including guest parking)	558
Hotel Rooms	134
Bar/Dining	267
General Commercial	45
Meeting Rooms	284
TOTAL PARKING REQUIRED (without reductions)	1,288
<i>Hotel Commercial Use Reduction</i>	<i>(-45)</i>
<i>15% Overall Reduction</i>	<i>(-103)</i>
TOTAL PARKING REQUIRED (with reductions)	1,140

The 9900 Wilshire site is located at the western edge of Beverly Hills near the intersection of Wilshire Boulevard and Santa Monica Boulevard. There are numerous transit lines that provide service throughout the region and have stops at or near the project site. These include Metro Lines 4, 20, 16/316, as well as Metro Rapid Lines 704 and 720. Additionally, the planned Purple Line subway system includes a stop at Avenue of the Stars/Constellation, which is approximately half a mile from the project site. While the Proposed Project will not contain a high concentration of shopping on-site, it does contain a mix of uses, including residential and bar/dining, and is located just outside the business triangle. It is reasonable to assume that a number of patrons of the hotel amenities will either be residents of the condominiums or guests of the hotel. Finally, the project site is immediately adjacent to the Beverly Hilton, Waldorf Astoria, and the proposed condominiums at the Beverly Hilton site. These nearby uses would also likely make up a portion of the visitors to the One Beverly Hills project site, and would most likely not require additional parking due to the walkable distance between the two sites. For these reasons, staff recommended that the Planning Commission grant a 15% reduction to the total parking requirement for the hotel and commercial component of the Proposed Project.

Although the project satisfies the amount of parking required by the Municipal Code (assuming all reductions are granted), it was noted that the Approved Project included 88 parking spaces in excess of Municipal Code requirements, whereas the Proposed Project does not include excess parking spaces. Meeting, rather than exceeding, code requirements is still anticipated to provide an adequate number of parking spaces on site given the mix of uses and increasing use of ridesharing services. In order to provide further support that the proposed number of parking spaces is sufficient for the uses on the site, the applicant submitted a parking demand study (Attachment 12), which was peer reviewed by the City's independent traffic consultants, Fehr & Peers (Attachment 7). The peer review found that the parking demand study methodology was consistent with industry standards, and in some cases uses more conservative estimates, such as the use of a higher parking demand rate for meeting room space than the base assumptions in industry standards. The study found that during peak parking demand, which would be at 8:00pm on a weekend, the uses on the site would generate a need for 1,030 spaces. This is 132 less spaces than the 1,162 spaces that would be provided (including 1,140 subterranean spaces

and 22 motor court spaces).

Planning Commission Comments

The Planning Commission unanimously found that the 15% reduction in parking requirement was appropriate for the site. Notwithstanding his support for the 15% reduction, Commissioner Block noted that the excess parking that was to be provided with the Approved Project would have been a public benefit and amenity for the City, and that the Proposed Project was not providing excess parking beyond what would be required per the BHMC provisions. Other Commissioners, most notably Commissioner Licht, felt that the project should provide the option for visitors to self-park their vehicles. The current proposal is to provide valet-only service for visitors of the hotel and public gardens. Residential tenants would have the option to self-park. However, there was not consensus among the Commission to require self-parking for the hotel and public garden visitors. Commissioner Licht also raised questions regarding electric vehicle charging stations, and staff clarified that under existing and future building code requirements, electric vehicle charging stations are required to be provided.

The Planning Commission also discussed the desire to have dedicated, free public parking for anyone wishing to visit the public garden at the corner of Wilshire Boulevard and Merv Griffin Way. As a result, a condition of approval has been recommended, and agreed to by the applicant, to provide 30 parking spaces dedicated to visitors of the public park, and such spaces would receive validation for up to three hours of free parking.

Loading. The Proposed Project provides access to the subterranean hotel loading dock from a driveway entrance located along Merv Griffin Way. The loading docks for both hotel and residential uses are located below grade in Level P1. While the Approved Project also included loading dock access from Merv Griffin Way, the luxury hotel and ancillary uses in the Proposed Project will result in a higher volume and frequency of daily deliveries.

Based on estimates provided by the applicant (which were derived from observing actual loading activities at the Montage Beverly Hills and the Fairmont Miramar Hotel in Santa Monica), the Proposed Project is anticipated to generate approximately 59 loading trips per week, whereas the Approved Project would have generated 29 trips per week. This results in an additional 30 delivery truck trips on a weekly basis. The applicant has indicated that deliveries and loading will occur between the hours of 6:00 AM and 2:30 PM, Monday through Saturday. The majority of loading vehicles were anticipated to be box/step vans, although nearly a third of loading activities were anticipated to be tractor-trailers. Loading activities would be spread out evenly throughout the weekdays with lesser activity on Saturdays. No loading activities were expected to occur on Sundays.

During the Planning Commission hearings, there was much discussion regarding the accuracy of the anticipated number of loading trips for the Proposed Project. In order to provide a reference point for comparison, staff conducted a 12-hour count of loading activities at the Montage Beverly Hills Hotel loading dock, and reviewed one week of loading dock video footage from the L'Ermitage Hotel and provided this data to the Planning Commission (Attachment 10). For comparison, the Montage Beverly Hills Hotel contains 201 hotel rooms, 20 condominiums, approximately 9,300 SF of dining, bar, and lounge areas, and approximately 9,700 SF of ballroom and meeting space. The L'Ermitage Hotel contains 119 hotel rooms, and approximately 4,350 SF of dining, bar, and lounge areas and approximately 5,000 SF of ballroom and meeting room space. The tables below summarize the data from Staff's observations:

**Montage Beverly Hills Loading Area Counts
 September 21, 2016**

Hour	Box Truck/ Step Van	Parcel Delivery Truck	Garbage Truck	Tractor Trailer
6:00 – 7:00 AM	4			
7:00 – 8:00 AM	2			
8:00 – 9:00 AM				
9:00 – 10:00 AM	4	1	1	
10:00 – 11:00 AM	2	2		
11:00 – 12:00 PM	3	1		
12:00 – 1:00 PM	3		1	
1:00 – 2:00 PM	1	1		
2:00 – 3:00 PM	2	1		
3:00 – 4:00 PM	1	2		
4:00 – 5:00 PM				
5:00 – 6:00 PM				
Totals:	22	8	2	0

**L'Ermitage Hotel Loading Area Counts
 September 12 through 18, 2016**

Day	Box Truck/ Step Van	Parcel Delivery Truck	Garbage Truck	Tractor Trailer	Daily Total
Monday (9/12/16)	7	2	1		10
Tuesday (9/13/16)	11	1	1		13
Wednesday (9/14/16)	10	1	1	1	13
Thursday (9/15/16)	24	1	1		26
Friday (9/16/16)	8	1	1		10
Saturday (9/17/16)	4	1	1		6
Sunday (9/18/16)	3				3
Weekly Total	67	7	6	1	81

In addition to the frequency of loading trips, staff has studied and worked with the applicant to develop various design changes to the subterranean driveway ramp along Merv Griffin in order to ensure that loading trucks would have adequate space to maneuver into and out of the driveway while minimizing the need for trucks to encroach into adjacent traffic lanes on Merv Griffin Way. Based on direction from the Planning Commission, the design now includes widening of Merv Griffin Way for a length of approximately 80 feet on either side of the driveway to create a new

turning lane for trucks. This new design allows 32' box trucks to make turns into the driveway without encroaching into the adjacent lanes, and allows 32' box trucks to make turns out of the driveway by only encroaching into a single southbound lane on Merv Griffin Way.

It should be noted that with the new driveway design, the total distance of the pedestrian crossing has been increased to 71'-6". The applicant has incorporated special pavers into the crosswalk to designate it as a pedestrian walkway and increase visibility.

Planning Commission Comments

The location of the loading dock access driveway was discussed extensively during Planning Commission hearings. At least two Planning Commissioners, including Commissioner Gordon and Commissioner Block, have expressed a strong desire to explore alternative access configurations for the hotel's loading areas such that the access could be granted from the Project's western access road than from Merv Griffin Way. Commissioner Gordon cited the location of the loading dock access driveway as a major reason for not being able to support the project, and although Commissioner Block was not present for the vote on October 19, 2016, his comments at the prior Planning Commission meeting indicated that the location of the loading dock was a major concern that would impede his ability to recommend the project. Commissioners Fisher, Licht, and Shooshani did not feel as strongly that the loading dock access should be relocated, and thus the majority consensus was to recommend City Council approval with the loading dock access driveway in its current location, with the widening of Merv Griffin Way incorporated into the design. Conditions of approval have also been recommended which limit typical loading vehicles to unarticulated 30' box trucks, and only allowing tractor trailers on very limited occasions with prior approval required by the Director of Community Development. A condition of approval was also recommended limiting turning movements at the driveway to right-in and right-out only, thus prohibiting left turns at Merv Griffin Way.

Noise Impacts. The City prepared a Final SEIR to study the potential environmental impacts of the Proposed Project, including those related to noise and vibration. The Final SEIR found that construction activities associated with the Proposed Project would result in an increase to the severity of previously identified significant vibration impacts due to the longer construction period required for the Proposed Project. Other noise-related issues were found to not result in any significant impacts or increase in severity of previously identified significant impacts.

There were also question raised during the Planning Commission hearings regarding noise generated by loading trucks maneuvering into and inside of the site's underground loading area. As discussed in the Final SEIR, the Project's loading docks are located below grade and all loading dock operations would occur within the enclosed loading dock service area. Rincon Consultants studied the potential noise impacts of trucks maneuvering into the loading area, including noise resulting from trucks accelerating up the ramp as they exit onto Merv Griffin Way. This analysis concluded that the impacts of operational noise would be less than significant due to the distance of the ramp from the nearest sensitive receptors (the Beverly Hilton Hotel), and the intermittent nature of loading activities.

Representatives of the Beverly Hilton Hotel also submitted a technical memorandum prepared by Ramboll Environ raising concerns with the noise analysis prepared for the Proposed Project. The City's independent environmental consultant, Rincon, prepared a technical memorandum specifically responding to each of the issues raised by Ramboll Environ on behalf of the Beverly Hilton Hotel. In summary, Rincon found that none of the issues raised result in any new significant noise impacts beyond what was studied and disclosed in the Final SEIR. The full memorandum prepared by Rincon is included as Attachment 7 to this report.

Planning Commission Comments

The Planning Commission reviewed and considered the Final SEIR, which includes extensive analysis on potential noise impacts generated by the Proposed Project, and did not raise any specific concerns regarding the methodology used to assess noise impacts during construction or during project operation. Upon being provided with Rincon's technical memorandum responding to the concerns raised by representatives of the Beverly Hilton, the Planning Commission did not have any further comments on the methodology used to assess noise impacts. The Planning Commission did, however, discuss and impose conditions of approval intended to minimize noise impacts to future residents of the One Beverly Hills project as well as future residents and current users of the Beverly Hilton site. These conditions include requiring sound attenuating barriers along the project site boundaries during construction, including a 40' sound barrier along the eastern project boundary, as well as conditions restricting the use of amplified sound at any hotel open spaces, such as hotel gardens, open air dining areas, and live entertainment areas.

Construction Management. Construction of either the Approved Project or the Proposed Project would result in various disruptions and potential impacts to nearby properties, including noise, air quality, and traffic impacts. Additionally, the Planning Commission has expressed concern about the likely overlap of the Proposed Project at 9900 Wilshire Boulevard with other large projects in the vicinity, including construction of the proposed condominiums at the Beverly Hilton site, construction of various projects in nearby Century City (i.e. 10000 Santa Monica Boulevard, Westfield Century City, etc.), and reconstruction of Santa Monica Boulevard. A table is provided below which summarizes nearby projects with their anticipated or projected time frames:

Project	Duration ³	Status
Century City Center	3 Years	Not Yet Under Construction
Century Plaza Hotel Plan A	3.5 Years	Early Construction
Century Plaza Hotel Plan B	3.5 Years	Early Construction
10000 Santa Monica Blvd	3 Years	Near completion
BHUSD – BHHS	4 Years	Early Construction
BHUSD – El Rodeo	4 Years	Early Construction
BHUSD – Hawthorne	4 Years	Design
Beverly Hilton ⁴	4 Years	Under Construction
Westfield Century City	4 Years	Under Construction

While it is clear that numerous construction projects will be ongoing during the next 4 years near the project site, attempts to quantify the exact cumulative impacts from these projects would be speculative, especially as these impacts relate to construction traffic.

Recognizing these limitations, there are still various approaches that can be taken to minimize the construction impacts as much as possible. For example, the Planning Commission expressed

³ Construction information was obtained from the environmental studies completed for each project. More detailed information provided in the Final SEIR in Table RTC-10 in Appendix 9 – Responses to Comments.

⁴ Construction duration of Beverly Hilton project would be the same under the Beverly Hills Garden and Open Space Initiative.

an interest in understanding the implications of allowing certain construction activities, such as excavation and hauling, to occur during the night-time hours to avoid the addition of haul trucks to daytime peak traffic hours. Staff and the consultant team studied the implications of night hauling for noise impacts, it was concluded that with the use of a 40' sound attenuating wall located along the entire eastern property boundary along Merv Griffin Way, the noise impacts resulting from night-time construction would be less than significant to the nearest sensitive receptor, which would be the existing Beverly Hilton hotel rooms located along Merv Griffin Way, which is approximately 50 feet from the 9900 Wilshire property line. A 12' sound wall would be required along the remaining perimeter of the property, in accordance with mitigation measures adopted as part of the Approved Project. With the inclusion of the 40' sound wall, construction noise impacts would also be reduced to less than significant levels throughout the daytime construction hours as well, resulting in a less impactful construction period than was identified in the Final EIR for the Approved Project.

The Final SEIR includes a total of 47 Mitigation Measures. Of these, 32 relate to construction-period impacts, and are intended to reduce the significance of these impacts. The full Mitigation Monitoring and Reporting Program (MMRP) is provided as Appendix F to the Final SEIR. The MMRP includes measures from the original FEIR as well as new or modified mitigation measures identified in the Final SEIR, including measures such as wind-monitoring, preparation of a Construction Traffic Management Plan and a Construction Workers Parking Plan, and various noise-attenuation techniques to minimize construction impacts. Additionally, the Approved Project included a total of 84 conditions of approval, 13 of which related specifically to construction management. Some of these conditions include a requirement for a 12' construction fence to reduce noise, retention of a third-party construction management plan coordinator to maintain the construction management plans, and maintaining a publicly accessible website with an updated construction schedule. In reviewing the Proposed Project, the Planning Commission recommended amendments to the conditions relating to construction management to reflect the provision of the 40' barrier along Merv Griffin Way. Finally, as mentioned previously in this report, in order to approve the Proposed Project, the City Council will be required to adopt a Statement of Overriding Considerations due to the two impact areas that will result in an increase in the severity of a previously identified significant and unavoidable impact. These two areas include the increased vibration and air quality impacts resulting from the longer construction period anticipated for the project, which will be temporary in nature and not operational.

Planning Commission Comments

The Planning Commission expressed interest in allowing night-time excavation and hauling activities in order to reduce the traffic impacts of construction on the surrounding streets. To mitigate any potential noise impacts from night-time construction activities, a 40' tall sound barrier will be required along Merv Griffin Way, in addition to 12' tall barriers along all other project boundaries. The Planning Commission also considered the best circulation option for hauling trucks accessing and exiting the site during the excavation period. Initially, it was recommended that trucks only use the Santa Monica Boulevard access point for ingress and egress in order to avoid any potential impacts to El Rodeo School and single-family neighborhoods to the north. At the conclusion of deliberations, the Planning Commission unanimously expressed a preference for allowing trucks to use Wilshire Boulevard to enter the site, and Santa Monica Boulevard to exit the site to distribute the traffic and reduce potential congestion on Santa Monica Boulevard, as well as shifting excavation and hauling activities to the night-time hours to the maximum extent feasible in order to avoid peak hour traffic impacts. Conditions of approval have been recommended which allow for the Construction Management Plan to be adjusted based on real-time conditions to determine the least impactful construction circulation for the site.

Simultaneous Events. Commissioners requested information and additional analysis on situations where there might be simultaneous full-capacity events being held at the One Beverly Hills ballroom as well as the Beverly Hilton and Waldorf Astoria ballrooms. Staff and the City's independent traffic consultant presented a peer review of an applicant-prepared simultaneous event study, and concluded that the study analyzed the transportation impacts of a 1,000-guest weeknight event at the Beverly Hilton and a 285-guest weeknight event at One Beverly Hills. The study was found to be based on standard methodologies and prepared in accordance with the typical procedures applied to traffic studies in Beverly Hills, and Fehr and Peers concurred with the analysis results, which concluded that there would be no significant impact to the 11 study intersections under the 2020 Cumulative projects scenario.

Concerns were raised by the Planning Commission and representatives of the Beverly Hilton Hotel that the 1,000-guest assumption for an at-capacity scenario at the Beverly Hilton was not sufficient, and that the Beverly Hilton regularly accommodates events with higher capacities. At the September 19th meeting, staff and the applicant team were directed to re-analyze the simultaneous event scenario taking into account a 2,000-guest assumption. The analysis was revised based on this direction, and the revised analysis found that a 2,000-person event at the Hilton results in 570 vehicle trips (in comparison to 285 vehicle trips in the original 1,000-person study). A special event at One Beverly Hills would generate an additional 80 vehicle trips, consisting of 60 inbound trips and 20 outbound trips, during the peak hour before an event.

Traffic impact studies examine the increment of change that will occur with the development of a potential project. Therefore, similar to the original event study, when comparing traffic operations under Future plus Beverly Hilton & One Beverly Hills Event conditions to conditions with only the event at the Beverly Hilton, the increment of change in the Vehicle to Capacity ratios at the study intersections does not exceed the City's significance thresholds.

In summary, the One Beverly Hills project generates 80 total trips during the peak hour before special events. The Beverly Hilton would generate 235 trips during a 1,000-person event, and 570 trips during a 2,000-person event. The Fehr & Peers' peer review of the applicant's updated simultaneous event study has confirmed that the trips generated by a special event at One Beverly Hills, in addition to a 2,000-person event at the Beverly Hilton, would not exceed the City's adopted significance thresholds at the study intersections under the 2020 Cumulative conditions. It was also noted that the hotel motor court in the proposed project would be a total size of 15,396 SF, making it the largest motor court in the City of Beverly Hills. For comparison, the Montage Beverly Hills hotel motor court is approximately 7,200 SF.

Planning Commission

Based on feedback from the Planning Commission and representatives of the Beverly Hilton regarding the likelihood of large events being held at the Hilton, the applicant prepared revised studies looking at a 2,000-person event at the Hilton in addition to the One Beverly Hills ballroom. These studies were peer-reviewed by the City's independent traffic consultant, who found that the incremental increase in trips resulting from One Beverly Hills' ballroom would not result in impacts to study intersections per the City's thresholds. Subsequent to this revised study, the Planning Commission did not have any further comments regarding this particular issue.

Limousine and Ride Share Staging. With the emergence of ride sharing services such as Uber and Lyft, as well as anticipated use of traditional taxi and limousine services, the Planning Commission requested that further studies be done on how to best accommodate staging of these types of vehicles. The two proposed motor court options would be able to accommodate approximately 19 large sedans (towncars) or 15 stretch limousines without impacting circulation

on the motor court itself. The applicants have also made minor design modifications to the ramps in the proposed motor court, such that stretch limousines would now be able to maneuver down the ramp and be able to stage in the underground parking areas. Additionally, during evening events, it is unlikely that deliveries will need to be made, and thus limousines, taxis, ride share vehicles, or car service vehicles would also be able to stage in the loading dock area, accessed by the loading driveway along Merv Griffin Way after dropping off passengers. These measures would preserve space in the motor court so as not to impact the ability of the valet staff to handle large numbers of cars arriving at one time.

Planning Commission

Based on the concerns raised by the Planning Commission regarding adequacy of limousine and car service staging areas, the applicant made project revisions to create additional staging opportunities in Level P1 and the loading dock. Subsequent to these changes, the Planning Commission did not have any further comments regarding limousine and other vehicle staging.

Fiscal Considerations and Development Agreement. At the time when the Approved Project was originally being reviewed by the Planning Commission and City Council, one area of consideration was the proposed change in zoning from a fully commercial property to a mostly residential use. In particular, it was recognized that the City contains a limited amount of commercially zoned properties from which to generate sales tax and other revenues to provide services for the entire community. Thus, the loss of a major commercial property like 9900 Wilshire would likely result in long-term loss of commercial revenue. In part to address this concern, the City entered into a Development Agreement with the developer at the time. The Development Agreement vested the rights to the Approved Project in exchange for various public benefits to the City. The full terms of the Development Agreement are included as Attachment 18 to this report, which also includes strikeout/underline edits that reflect the draft revisions that have been made as a result of negotiations between the City Council Ad Hoc Committee, which consisted of Mayor Mirisch and Councilmember Bosse, in conjunction with the law firm of Greenburg Glusker and the applicant⁵. A comparison of the public benefits included in the proposed development agreement and the previous development agreement reached for the Project is provided in the table below, with changes highlighted in red text:

⁵ Please note that the exhibits to the document do not include strikeout/underline edits. Primarily the exhibits change addresses, signature lines, and forms of acknowledgement.

Plan Components	9900 Wilshire Specific Plan (Approved)	9900 Wilshire Specific Plan - One Beverly Hills (Proposed)
<i>Residential Units</i>	235 units	193 units
<i>Hotel Rooms</i>	No hotel rooms	134 hotel rooms
Developer Obligations	9900 Wilshire Specific Plan (Approved)	9900 Wilshire Specific Plan (One Beverly Hills)
<i>Public Benefit Contribution</i>	\$30,000,000 (\$3M for affordable housing)	\$60,000,000 (\$3M for affordable housing)
<i>BHUSD School Benefit</i>	\$1,000,000	\$1,000,000
<i>Environmental Mitigation and Sustainability (EMS) Fee</i>	\$4.50 per \$1,000 in transactions each time sale occurs (0.45%)	\$12.50 per \$1,000 in transactions for first sale (1.25%) \$20.00 per \$1,000 in transactions for each sale thereafter (2%)
<i>Gross Hotel Room Revenue Surcharge</i>	No hotel rooms	5% (in addition to City's 14% TOT)
<i>Gateway Statement</i>	Up to \$250,000	Up to \$250,000
<i>Public Art Requirement</i>	Gateway statements plus \$250,000	Gateway statements plus \$250,000
<i>Public Garden Easement</i>	0.81 acre	0.81 acre

The City has retained Keyser Marston Associates to provide a fiscal impact analysis of the Proposed Project, taking into account the draft negotiated amendments to the development agreement (Attachment 18). This analysis indicates that the revised development agreement will result in total revenue to the City of approximately \$820 million over 30 years, which is an increase of approximately \$566 million when compared to the Approved Project. The applicant has also submitted economic studies of the Proposed Project (Attachment 14).

Additionally, the draft revised development agreement has several other changes to its provisions which are not included in the Keyser Marston report. First, the previous development agreement contained an exemption for development fees. The proposed development agreement, limits that exemption to five years from the effective date, which may be extended by *force majeure* after issuance of the building permit.

Secondly, the previous development agreement had a list of five banks that were acceptable for securing the irrevocable standby letter of credit. (The irrevocable standby letter of credit secures

the Public Benefit Contribution.) This has been replaced with a definition of "Qualified Issuing Bank." A "Qualified Issuing Bank" is defined as a bank having offices in the State of California and/or the City of New York, that has total assets of at least \$300 billion, and an investment grade credit rating from one or more of Moody's, Standard & Poor's, or Fitch. Among the banks that may qualify as a "Qualified Issuing Bank" are several Chinese banks.

Third, in the proposed development agreement, exempted from the definition of Sales Transactions for the purposes of payment of the Environmental Mitigation and Sustainability Fee are transfers to an Affiliate of Dalian Wanda Group Co Ltd. To qualify for an exemption, the transfer must be made within 12 months after issuance of the first Certificate of Occupancy or Dalian Wanda Group Co Ltd. must retain fifty-one percent (51%) of the beneficial ownership.

Fourth, due to changes in the Project, the revised development agreement provides for a bus turnout only along the Wilshire Boulevard frontage and provides for a subway portal only along the Santa Monica Boulevard frontage.

Fifth, the revised development agreement provides for expedited processing upon applicant's payment of the applicable processing fee.

There are minor cleanup changes to the agreement which are not detailed here but which are shown in the redline of the document.

Planning Commission

Per the direction of the City Council, the Planning Commission and members of the public were invited to provide input and ideas as to what should be included in the Development Agreement during several of the Planning Commission meetings when the Proposed Project was discussed. Members of the public did not provide any specific comments regarding potential Development Agreement terms, however Planning Commissioners did provide various suggestions as listed below, which were forwarded to the City Council for their consideration during the negotiation process:

- Require the developer to build a decorative wall along the City's right of way abutting the lots in the T-1 Transportation Zone on the south side of North Santa Monica Blvd from the western City boundary to the eastern boundary of the project site to serve as an aesthetic improvement to the area as a gateway to the City.
- Requirement to widen Merv Griffin Way to accommodate an extra lane of southbound traffic (this recommendation was partially addressed through a project re-design and condition of approval which provides widening of Merv Griffin Way on both sides of the subterranean driveway entrance to accommodate loading truck traffic).
- Increase the dollar amount of the public art contribution.
- Allow public use of the hotel ballroom as a community meeting/gathering space during periods where the City is in a declared state of emergency.
- Granting priority to City residents to rent hotel rooms at the One Beverly Hills property during a state of emergency at the lowest rates that were charged prior to the state of emergency.

- Recover the value of the 15% reduction in parking, i.e. as in-lieu fees or other financial compensation to the City.
- Require a substantial financial contribution in exchange for an intensification of the use on the project site.
- Create provisions in which the City would share in revenues generated by use of the hotel ballrooms.
- Establish a minimum Transient Occupancy Tax (TOT) revenue base for the hotel to ensure that the City receives a minimum amount of TOT revenue during hotel stabilization.

It should be noted that the Planning Commission evaluated and made recommendations based on the development agreement that was proposed by the developer, which was before the City Council Ad Hoc Committee's negotiations were completed.

Legislative Advocacy Activities. The City Attorney has also provided a memo regarding the legislative advocacy activities of former Mayor Barry Brucker. That memo is included in this report as Attachment 21.

FISCAL IMPACT

During the first 10 years of operation, the Approved Project is projected to result in total revenue of \$35,615,000 to the City, while the Proposed Project is anticipated to result in total revenue of \$127,516,000, representing an increase of \$115,410,000.

During the first 30 years of operation, the Approved Project is projected to result in total revenue of \$254,919,000 to the City, while the Proposed Project is anticipated to result in total revenue of \$820,722,000, representing an increase of \$565,803,000.

The Approved Project would contribute \$30,000,000 in public benefit contribution. This will be distributed as follows: \$13 million within 90 days after issuance of the first building permit, \$6,500,000 within 455 days of the first building permit and \$10,500,000 on or before the first certificate of occupancy. The Proposed Project would continue these payments and would contribute an additional \$30,000,000 in public benefit contribution at the time that the first Certificate of Occupancy is issued, or forty (40) months after the first building permit is issued, whichever is earlier.

The dollar amounts described above are based on the draft revisions to the Development Agreement that have been negotiated by the City Council Ad Hoc Committee, consisting of Mayor Mirisch and Councilmember Bosse, in conjunction with the law firm of Greenburg Glusker. Attachment 18 to this report provides a more detailed assessment of fiscal impacts.

RECOMMENDED ACTION

Staff recommends that the City Council consider the analysis provided in this report, conduct a public hearing and receive testimony, and direct Staff to return at a future public hearing with a resolution memorializing the City Council's findings.

Susan Healy Keene, AICP
Director of Community Development


Approved By _____

RECOMMENDED ACTION

Staff recommends that the City Council consider the analysis provided in this report, conduct a public hearing and receive testimony, and direct Staff to return at a future public hearing with a resolution memorializing the City Council's findings.

Susan Healy Keene, AICP
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