



AGENDA REPORT

Meeting Date: April 22, 2014

Item Number: E-15

To: Honorable Mayor & City Council

From: Susan Healy Keene, AICP, Director of Community Development

Subject: AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND NELSON\NYGAARD CONSULTING ASSOCIATES, INC. FOR AN IN LIEU PARKING STUDY; AND

APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$25,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$75,000

Attachments:

1. Amendment No. 1
2. Scope of Work for In-Lieu Parking Study

RECOMMENDATION

It is recommended that the City Council approve the Amendment No. 1 to an Agreement between the City of Beverly Hills and Nelson\Nygaard Consulting Associates (Consultant) and a change order in the amount of \$25,000 for a total not-to-exceed amount of \$75,000 for an In-lieu Parking Study.

INTRODUCTION

Pursuant to City Council direction, staff released a Request for Proposals (RFP) for consultant services to conduct a study on the existing in-lieu parking program in the City and the potential expansion of the program. In March, 2014, Nelson\Nygaard was selected and the City executed an agreement under the City Manager's signatory authority to complete the study. During preliminary discussions between the consultant and staff it was determined that additional funds would be needed for a more in-depth completion of Task 3 (see Attachment 1). This additional analysis will encompass the cost (\$25,000.00) and scope of work as outlined in Attachment 2, bringing the total project cost to \$75,000. The 2013-14 Budget includes \$75,000 for the study; therefore no additional money will be required to amend the contract.

BACKGROUND

The 2013-14 Fiscal Budget includes \$75,000 dollars to fund a study of the In Lieu Parking Program's current structure, process, and fees, and to study the possible expansion of the program to areas in the City outside the Business Triangle (boundary for the current program). On August 20th, 2013, staff provided a proposed scope and framework for the project to the City Council as an informational item. The scope included tasks to accomplish a comprehensive assessment of the current In-lieu Parking Program and to assess the feasibility of its expansion into other commercial corridors of the City. These study areas included:

- South Beverly Dr. from Wilshire Blvd. to Olympic Blvd.;
- Robertson from Wilshire Blvd. to Olympic Blvd., and;
- South Santa Monica Blvd from Wilshire Blvd., west, to Moreno Dr.

The following study areas were subsequently added to the scope of work after further discussion with staff involved in efforts related to parking and economic development in the City:

- Wilshire Blvd., east of the Business Triangle to the edge of City Limits, and;
- Olympic Blvd. from Rexford Dr., east, to Robertson.

The scope of work encompasses the following tasks:

- Evaluating the existing In-Lieu Parking Program in the City;
- Determining the cost and site suitability of constructing public parking in the study areas;
- Making recommendations on parking needs and resources in the study areas;
- Providing supplemental information on industry best practices in parking management, and;
- Assessing the zoning standards on Robertson Blvd to determine potential barriers to development.

A map of the study areas, as well as more information on the scope can be found in Attachment 1.

The City released the RFP for the work in December 2012 and received one proposal from a highly qualified consultant team headed by Nelson/Nygaard Consultants, Inc. Nelson Nygaard has completed similar work in other cities including a Downtown Parking In-Lieu Fee Program Study for the City of Santa Monica, and a transportation impact fee study in Palo Alto. The City interviewed the applicant team and determined that they have the expertise to provide a high quality work product within the allocated budget.

DISCUSSION

Staff issued the RFP with a proposed maximum budget of \$50,000 in order to receive fiscally responsible proposals. Staff was able to execute the original contract for the in-lieu study with the approval of the City Manager because it did not exceed \$50,000.00. The addition of the scope included in Amendment No. 1 requires City Council approval, because it will increase the total project cost to more than the \$50,000.00 threshold.

The work included in the amendment will allow the City to gain a better understanding of the impacts of potential changes to the in-lieu parking program on private developers. In addition to the scope above, the consultant would also:

- produce a development feasibility pro-forma analysis of several possible development scenarios, including public/private partnerships, to determine the cost of providing parking for new developments in the study areas, and
- Conduct analysis of parking utilization within the study areas in order to provide recommendations on how the City could more efficiently use current parking resources.

This information will supplement the Consultant work already underway and help inform future policy discussions on the in-lieu parking fee program.

FISCAL IMPACT

The 2013/2014 Budget includes \$75,000.00 to fund consultant work associated with the In-lieu Program Study. The executed contract allocates \$50,000.00 for the majority of the work on this item. Staff is seeking approval for an additional \$25,000.00 to cover the cost of supplementary consultation as outlined in Amendment No.1. Including this proposed amendment to the Consultant contract, the entire scope of work surrounding the In-lieu Parking Program Study will total \$75,000.00, which is within the original budget allocated for this effort.

Susan Healy Keene, AICP,
Director of Community Development

Approved By



Attachment 1

Amendment No. 1

AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF
BEVERLY HILLS AND NELSON\NYGAARD CONSULTING
ASSOCIATES, INC. FOR AN IN-LIEU PARKING STUDY

NAME OF CONTRACTOR: Nelson\Nygaard Consulting Associates

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Ria Hutabarat Lo, Principal

CONTRACTOR'S ADDRESS: 116 New Montgomery Street, Suite 500
San Francisco, CA 94105
Attention: Ria Hutabarat Lo, Principal

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Susan Healy Keene, AICP, Director of
Community Development Department

COMMENCEMENT DATE: February 1, 2014

TERMINATION DATE: June 30, 2015 unless extended pursuant to Section 2 of the
Agreement

CONSIDERATION: Original Agreement: Not to exceed \$50,000
Amendment No. 1: Additional \$25,000
Total Consideration: Not to exceed \$75,000, based on the
rates set forth in Exhibit B of the Agreement

AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF
BEVERLY HILLS AND NELSON\NYGAARD CONSULTING
ASSOCIATES, INC. FOR AN IN-LIEU PARKING STUDY

This Amendment No. 1 is to that certain Agreement dated March 20, 2014 and identified as Contract No. 102-14 (the "Agreement"), a copy of which is on file in the office of the City Clerk, between the City of Beverly Hills, a municipal corporation ("CITY") and Nelson\Nygaard Consulting Associates, Inc. ("CONTRACTOR") for an in-lieu parking study.

R E C I T A L S

A. CITY entered into the Agreement for an in-lieu parking study.

B. After further consideration, it was determined by CITY and CONTRACTOR that additional work, which includes additional geospatial and economic data analysis, would be needed to conduct a more in-depth and thorough analysis regarding the CITY's parking needs.

C. Therefore CITY desires to add an additional Scope of Work to be performed by CONTRACTOR, and to increase the Consideration therefor.

NOW, THEREFORE, the parties hereto do amend the Agreement as follows:

Section 1. The Consideration shall be amended as set forth on the cover page hereof.

Section 2. Exhibit A, "Scope of Work" of the Agreement is hereby amended to add an additional scope of work as set forth in Exhibit A-1, attached hereto and incorporated herein.

Section 3. Exhibit B, "Rates/Payment Schedule/Unit Costs" of the Agreement is hereby amended to add additional compensation as set forth in Exhibit B-1, attached hereto and incorporated herein.

Section 4. Except as specifically amended by this Amendment No. 1, all terms and conditions set forth in the Agreement shall remain in full force and effect.

EXECUTED the ____ day of _____, 2014, at Beverly Hills, California.

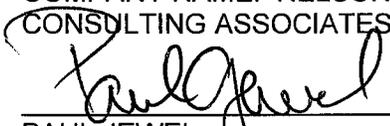
CITY OF BEVERLY HILLS
A Municipal Corporation

LILI BOSSE
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

COMPANY NAME: NELSON/NYGAAARD
CONSULTING ASSOCIATES, INC.

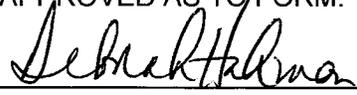


PAUL JEWEL
President



CASEY BOSWELL
~~Chief Financial Officer~~ Treasurer

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY C. KOLIN
City Manager



SUSAN HEALY KEENE, AICP
Director of Community Development



KARL KIRKMAN
Risk Manager

EXHIBIT A-1

ADDITIONAL SCOPE OF WORK

CONTRACTOR shall provide the following additional services for tasks set forth below to complete the In-Lieu Parking Study:

Task 7: Development Feasibility Pro-Forma Analysis

Task 8: GIS and In-Lieu Area Parking Utilization Analysis

Task 7: Development Feasibility Pro-Forma Analysis

CONTRACTOR shall conduct analysis to evaluate the financial feasibility of developing three different prototype development projects, and test the financial implications of different parking approaches, including building required parking on-site, paying parking in-lieu fees that are comparable to existing parking in-lieu fees, or paying modified parking in-lieu fees. CONTRACTOR shall structure the financial pro-forma model for each prototype development project to be able to conduct sensitivity analysis by changing assumptions about the parking approach.

7.1 Define Development Prototypes. CONTRACTOR shall work with CITY staff to define three development prototypes for this analysis. Preliminarily, it is assumed that they are:

4-story office over retail

3-story office over retail

3-story office over restaurant

For each prototype, CONTRACTOR shall collaborate with CITY to confirm assumptions such as location, site area (acres), leasable floor area, baseline parking requirements and how they would be met (e.g., payment of in-lieu fee or construction of onsite parking, including technology such as automated parking facilities, general construction type, project location, and any assumptions about a public-private partnership that would involve onsite construction of "public" parking in exchange for a write-down of project costs, through use of CITY-owned land for the development site (e.g., South Beverly site) and/or contribution by CITY of in-lieu fee funds. CITY and CONTRACTOR will also discuss how to define the 4-story and 3-story building prototypes so that as part of a sensitivity analysis, CONTRACTOR can change location-specific cost and revenue assumptions (i.e., land costs/rents) for one of the prototypes, so that they match the assumptions for the other prototype, thus facilitating an understanding of the impact on financial feasibility from allowing a fourth floor of development, rather than restricting the development to three stories.

7.2 Collect Development Cost and Revenue Data. The project definitions from Task 1 will provide the basis for CONTRACTOR to develop estimates of development costs and also to develop estimates of potential project revenues for each of the prototypes. CITY staff will assist by providing estimates of CITY permit and impact fees that the developers would pay in conjunction with constructing the project. For other development cost information, including

construction costs, soft costs, financing costs, etc., CONTRACTOR will collect data from other similar projects recently constructed. In addition to development costs, CONTRACTOR shall also collect information regarding project operating costs and revenues, to be able to calculate the annual net operating income from the prototype project.

7.3 Prepare Pro-Forma Models. Using the information collected in Task 2, CONTRACTOR shall develop a financial pro-forma model for each of the 3 development prototypes, which will combine development cost estimates with projected net operating revenue estimates in order to determine whether the project income would generate a sufficient return on the developer's investment to render the prototype financially feasible. The pro-forma models will be structured to test the feasibility of a baseline set of assumptions about how parking requirements are addressed, and to be easily modified in order to test the sensitivity of the results to changes in assumptions about how the parking requirements are addressed and/or how assumptions about allowed development intensity affect feasibility.

7.4 Prepare Draft and Final Technical Memo. CONTRACTOR shall prepare a draft technical memo to document the assumptions, research, pro-forma model methodology, and findings from the pro-forma analyses. This shall include sensitivity analysis to help illustrate the impact of changes in the assumptions about how the parking requirements are addressed or the impacts on financial feasibility from allowing increased density. The technical memo shall include printouts of the baseline pro-forma models in addition to the narrative text, including discussion of the results of sensitivity analysis. CONTRACTOR shall be available to discuss the draft technical memo with CITY staff, answer any questions, and discuss any necessary modifications. Upon receipt of staff comments on the draft technical memo, CONTRACTOR shall make revisions and submit a final memo for CITY's use.

Deliverable: 1. Technical Memorandum F: Pro-Forma Feasibility Analysis
2. A copy of the pro-forma model used in analysis

Task 8: GIS and In-Lieu Area Parking Utilization Analysis

In order to provide a more robust assessment of the in-lieu program, CONTRACTOR shall complement its basic analysis of the in-lieu program with an analysis of parking utilization within the study area as well as GIS analysis of land uses and parking program performance.

8.1 Parking Utilization Analysis within the In-Lieu Study Area. In addition to analyzing parking utilization in the expansion areas, CONTRACTOR shall undertake an analysis of parking utilization within the existing in-lieu parking area. This analysis will quantify the peak utilization across the study area, as well as the distribution of utilization across various parking resources. The analysis will therefore provide an understanding of how parking utilization differs between three types of parking resources: on-street parking, off-street public parking, and off-street private parking. It will also provide information on differing rates of parking utilization across the Business Triangle, and opportunities for balancing demand through pricing, wayfinding and other mechanisms. By analyzing parking utilization within the study area, CONTRACTOR will enable CITY to make more efficient use of current parking resources and limit costly expenditures on new parking capacity.

8.2 GIS Analysis of Land Uses and In-Lieu Parking Performance. Geographic information systems (GIS) are useful for analyzing, interpreting and visualizing patterns that

differ across space. CONTRACTOR shall complement its analysis of parking utilization, in-lieu program participation, and potential land use development in Beverly Hills with GIS analysis to help visualize patterns, interpret issues, and identify solutions. This analysis will feed into a range of deliverables under the in-lieu parking study.

Deliverable: 1. GIS Analysis Outputs for Technical Memoranda A and C
2. GIS Shapefiles used in analysis

EXHIBIT B-1

RATES / PAYMENT SCHEDULE / UNIT COSTS

CITY shall compensate CONTRACTOR for the satisfactory performance of the additional work described in Exhibit A-1 of this Amendment No. 1 in an amount not to exceed Twenty-Four Thousand Dollars (\$24,000.00) at the rates set forth below plus \$1,000 in contingency funds.

Fee Schedule

Task	Person/Invoiced	BAE	Total
Task 7: Development Feasibility Pro-Forma Analysis		\$18,150	\$18,150
7.1: Define development prototypes		\$1,350	\$1,350
7.2: Collect development cost and revenue data		\$7,150	\$7,150
7.3: Prepare pro-forma models		\$5,750	\$5,750
7. 4: Prepare draft and final technical memos		\$3,900	\$3,900
Task 8: GIS and In-Lieu Area Parking Utilization Analysis	\$5,850		\$5,850
8.1: Parking utilization analysis within the in-lieu study area	\$3,270		\$3,270
8.2: GIS analysis of land uses and in-lieu parking performance	\$2,580		\$2,580
Contingency	\$1,000		
TOTAL	\$6,850	\$18,150	\$25,000

Attachment 2

Scope of Work for In-Lieu Parking Study

IN-LIEU PARKING STUDY PROJECT DESCRIPTION & SCOPE

The City of Beverly Hills currently offers an In-lieu Parking Program for the 'Business Triangle' (central business district; home to Rodeo Drive). The City's In-lieu Parking Program allows certain businesses, located within the Business Triangle, to pay into a fund for future parking rather than provide all physical parking spaces as required by the City's zoning code. The current program establishes a set of criteria that the property, the building, and the business must meet to be eligible to participate in the program.

City Council directed City Staff to review the City's current In-lieu Program and make recommendations on the potential expansion of the program to new commercial areas in the City. The primary interests related to the expansion of the program are to establish a market appropriate cost structure for participating businesses within the current program area and potential expansion areas (study areas), accumulate funds for the purpose of developing new public parking structures, and facilitate economic development in the proposed expansion areas. As part of this review, the City has hired a consultant to:

1. evaluate the existing In-lieu program including fees and payment structure;
2. determine the cost and feasibility of constructing public parking in study areas; and,
3. make recommendations on parking needs and maximizing parking resources in study areas.

The study areas for this project include (see attached map):

- The existing In-lieu area, defined as:
 - The "Business Triangle" bounded by Crescent Dr., Wilshire Blvd., and Santa Monica Blvd. (incl. south side of Wilshire from Crescent to Spalding Dr.)
- The potential In-lieu Area A; defined as:
 - South Beverly Dr. from Wilshire Blvd. to Olympic Blvd.;
 - Robertson from Wilshire Blvd. to Olympic Blvd. (North of Gregory Way is Beverly Hills on both sides of the street; South is Beverly Hills on the West side of the street); and
 - South Santa Monica Blvd from Wilshire Blvd., West, to Moreno Dr.
- The potential In-lieu Area B; defined as:
 - Wilshire Blvd., east of the Business Triangle to the edge of City Limits; and
 - Olympic Blvd. from Rexford Dr., east, to Robertson.

The consultant will complete the following four tasks:

Task 1 – Evaluate the Existing In-Lieu Program

- Provide an independent evaluation of the current In-lieu fee structure (currently only active in the Business Triangle) and identify what is working or not working; requiring improvement or complete overhaul;
- Assess various payment structures of the In-lieu Program including, but not limited to:
 - Up-front payment of all fees
 - Payment of In-lieu fees in annual installments

- Lease of spaces
- Determine if the current fees compared to construction costs are appropriate based on:
 - Trends in other municipalities; and
 - Existing market/economic research (e.g. is there an identified threshold that developers won't cross when deciding between building parking or utilizing the In-lieu option?).

Task 2 – Determine Cost and Feasibility of Constructing Public Parking in Study Areas

This phase of the project should result in a comprehensive analysis of the current/market cost of constructing parking spaces in the expansion areas, as previously identified. At a minimum the consultant should:

- Prepare a summary of construction costs for new parking facilities in Expansion Area A and Expansion Area B (cost each out separately). This analysis should be completed with and without the cost of land acquisition and include CPI and Engineering Cost Index. Parking facilities to be studied include:
 - Surface parking lot;
 - Above-grade parking garage;
 - Below-grade parking garage; and
 - Cost-per-space for an automated enclosed parking garage including:
 - An above-grade parking garage;
 - A below-grade parking garage; and
 - A parking garage that is both above and below-grade.
- Conduct a suitability analysis for the construction of a municipal parking structure on each street within the Potential Expansion Areas based on the following:
 - The cost of land in the area;
 - The number and size of land parcel(s) needed to construct a viable parking garage; and,
 - Adequacy of vehicle accessibility at these identified areas.
 - Note: to the extent feasible, the city is willing to encroach underneath the sidewalks and streets to expand a subterranean garage (staff will provide additional information).

Task 3 – Make Recommendations on Parking Needs and Maximizing Parking Resources in Study Areas

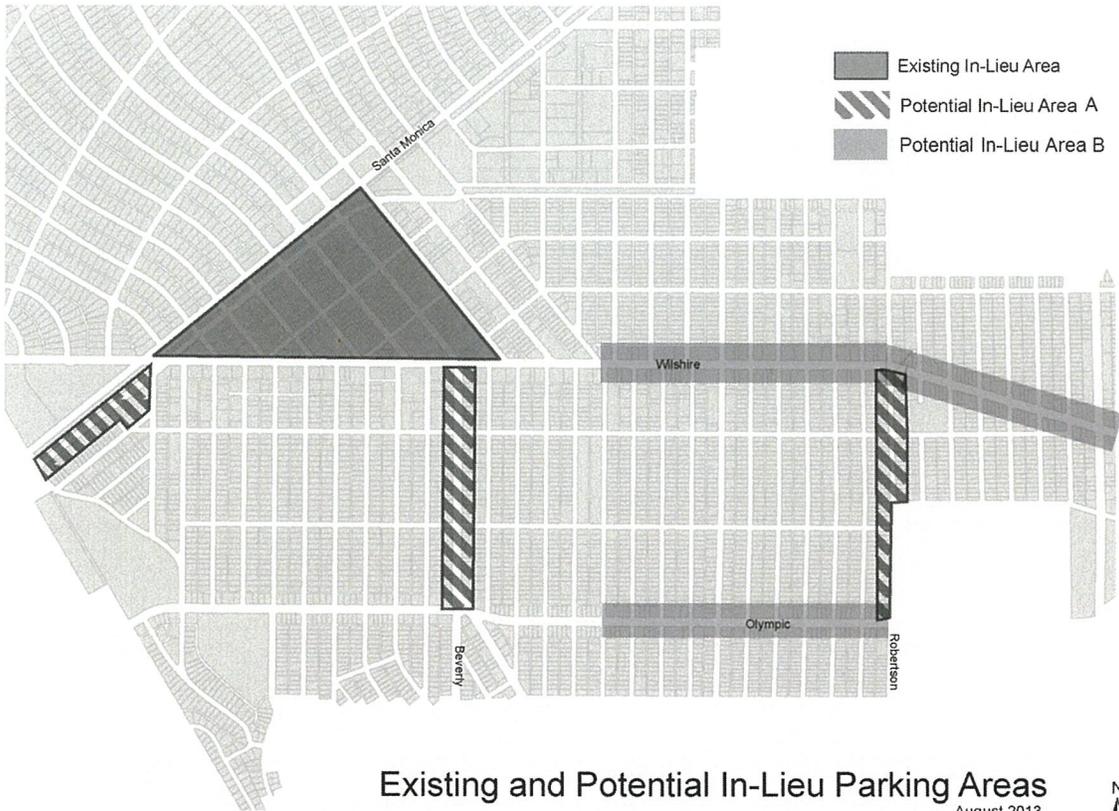
- Determine a recommended number of new parking spaces that would be necessary to supplement the on-street parking in each of the expansion areas, taking into account the inventory of private parking areas based on:
 - Current need: parking need given square footage of existing commercial spaces on these streets using the minimum parking requirements;
 - Moderate future need: future parking needs assuming 30% of buildings/properties in each expansion area change to more parking intensive uses allowed in the given area; and,

- High future need: future parking needs assuming 85% of buildings/properties in each expansion area change to more parking intensive uses allowed in the given area.
- Identify ways to use in-lieu fees to subsidize spaces in private lots;
- Evaluate the amount of development needed in order to fund a new parking structure within the proposed expansion areas (does not include the Business Triangle);
- Make recommendations on whether or not the same type of businesses and uses that can participate in the existing In-Lieu Program should be allowed to participate in the expansion areas (e.g. same participation parameters) or if the parameters for participation should be different for the expansion areas; and,
- Provide “pros and cons” of expanding the In-lieu program before a parking structure is built in the expansion area. If possible, provide information on how other cities have implemented an In-lieu program in areas prior to the construction of a parking facility.

Task 4 – Supplemental Information: Industry Best Practices

It is of interest to the City to explore options to provide more parking or fund parking facilities that don't include an In-Lieu parking fee structure. The deliverable of this task is meant to serve as a qualitative (NOT quantitative) reference for decision-making. Staff is looking for qualitative recommendations of viable alternatives that other California cities have successfully used such as:

- Parking Assessment Zoning
- Parking Impact Fees based on property usage in the indicated areas
- Business Improvement Districts
- Partnerships with private land owners/businesses with substantial on-site parking to utilize their excess parking capacity (even if use/partnership is limited to the evenings and weekends).



Existing and Potential In-Lieu Parking Areas

August 2013

