CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: January 29, 2008

To: Honorable Mayor & City Council
Planning Commission

From: Vincent P. Bertoni, AICP, Community Development Director

Subject: General Plan: Draft Land Use Plan

Attachments:
1. Draft Land Use Plan – Figure 1
2. Detail of Land Use Study Areas – Figure 1A
3. Draft Land Use Classifications
4. Land Use Alternatives Comparison Matrix
5. Traffic Analysis for Land Use Alternatives
6. Fiscal Analysis for Land Use Alternatives
7. Economic Sustainability Study and Summary Report

INTRODUCTION

The City Council and Planning Commission are requested to review and provide direction regarding the attached Draft Land Use Plan (Attachment 1) for the Draft General Plan. Attachment 2 is the same Land Use Plan with more detail shown of the land use study areas (geographic subareas) and Attachment 3 is a description of the proposed land use designations that would be placed on the map.

SUGGESTED MEETING FORMAT

Staff recommends the following meeting format:

- Staff makes brief presentation
- City Council and Planning Commission receives public comment the Draft Land Use Plan
- City Council and Planning Commission discusses Draft Land Use Plan and related reports and provides direction to staff

Staff would recommend that the Council and Commission provide direction to staff by each land use study area (geographic subareas) as shown on the attached Draft Land Use Plan.

BACKGROUND

The process of updating the General Plan started in 2001 with Plan Day which was an all day event that engaged the community in a visioning process for the General Plan Update. In 2002 the City Council created General Plan Topic Committees to maximize public involvement in the General Plan Update process. These committees were made up of over 175 citizens that represented a cross-section of the community. The task of these committees was to identify issues and opportunities important to the community that should be incorporated into the updated General Plan. A total of seven committees were appointed by the City Council: Residential Issues, Residential-Commercial Interfaces, Commercial Development Standards, Circulation/Mobility, Community Character, Environmental Sustainability, and Community Processes. Each General Plan Top Committee met numerous times and developed a Final Topic Committee Report that was presented to the Planning Commission and City Council in 2003 and 2004.

In 2005, a series of "white papers" on major transportation issues were developed along the technical background reports which described the City's existing conditions for physical, social and economic resources were completed. In 2006 the focus of the General Plan Update efforts included a review of preliminary General Plan policies and consideration of potential modifications to existing land uses in the City. In May 2006, ten community outreach meetings were conducted ("Focus on Beverly Hills Neighborhoods") to obtain input on possible land use alternatives in various locations. A series of papers explaining the context and background for each of the land use alternatives proposed was distributed at that time. In fall of 2006, the preliminary policy papers were presented to the Planning Commission and City Council. The preliminary policy papers provided a first point of discussion for the Planning commission and City Council to deliberate strategies and approaches to address community needs and visions as identified in the "Focus on Beverly Hills Neighborhoods" community meeting series, input from the General Plan Topic Committee Reports, the General Plan Technical background Reports, and ongoing feedback from City staff.

In August 2006, both the Planning Commission and City Council held meetings to consider the preliminary draft land use alternatives and provide direction to staff on which land use alternatives should be tested for economic and traffic impacts. The land use alternatives selected by the City Council are generally shown in Alternative 2 below. Based on the Economic Sustainability Report (Attachment 7), it was determined that the City had several choices if they wanted to maintain the same level of services provided currently. The Report indicated that in recent years the cost to provide services to the community have grown faster than increases in revenue and that forecasts suggested this gap would broaden substantially in the future. The choices outlined in the report include 1) increasing taxes and/or fees, 2) reducing service levels, 3) expand economic capacity or 4) a combination of any two or all of the other choices.

DISCUSSION

For purposes of the Draft Environmental Impact Report, it was necessary to develop alternatives that provided a range of development scenarios. Therefore, four land use alternative scenarios were created. Alternative 1 which is existing conditions plus regional growth, Alternative 2 which is generally areas selected by the City Council for testing,

Alternative 3 which incorporated the findings of the economic analysis and reflects the option of expanding economic capacity and Alternative 4, which represents a "re-tooling" of Alternative 3 to address the traffic implications of Alternative 3. Alternative 4 generally refocuses the land uses and intensities toward uses that achieve recommendations of the economic analysis with less impact to the living environment of the community. In each of the policy alternatives, new residential uses would be included as part of mixed use projects in the commercial zones. In order for the City's Housing Element to be certified by the State, the City will need to provide land to accommodate enough units to meet the City's Regional Housing Needs Assessment (RHNA) requirements.

Each of the policy alternatives attempts to protect the City's key assets and includes conservation of residential neighborhoods and a focus on change in areas where existing commercially-zoned districts are underutilized or represent opportunities for change. The land uses in each alternative would also consider policies and standards for development height and massing that assure transition and compatibility with adjoining residential neighborhoods. Development intensity is presented as a floor area ratio (FAR) rather than building height per City Council direction. A summary of each of the alternatives is discussed below.

Alternative 1. This alternative represents the baseline case where no new development would occur in the community. Growth in the neighboring jurisdictions is expected to continue. With respect to the EIR, this alternative represents the "no project" alternative. Relative to the other three alternatives, this alternative represent a benchmark for gauging the policy implications of the other alternatives.

Alternative 2. As described above, City Council's guidance was sought as to what land use and development densities it wished to see evaluated. Alternative 2 generally reflects the City Council's guidance. In several areas, including the Business Triangle core, and Wilshire Boulevard in the Department Store district, and Wilshire Boulevard east to La Cienega, the City Council's guidance for intensity is reflected in Alternative 3. The least intensive of the three policy alternatives, development capacity in this scenario was focused on modest growth for retail uses in the Triangle core area and along Santa Monica Boulevard west of Wilshire Boulevard (up to 3.0 FAR) with modest growth along Wilshire Boulevard (2.0-3.0 FAR) depending upon adjacency to single-family residential. Modest growth was analyzed along Robertson Boulevard, Beverly Drive, and Olympic Boulevard (2.0 FAR) with a higher intensity analyzed along Wilshire Boulevard and La Cienega Boulevard at the eastern edge of the City (up to 3.0 FAR). The land uses in this alternative generally include a mixture of retail and office along the corridors, with the opportunity for residential on the upper floors at key locations. *(Includes analysis of 1,500 housing units, 2.4 million square feet of retail, and a 7,000 square foot nightclub. The development intensity analyzed exceeds the City's currently allowable FAR in the Triangle core, mid-Wilshire, Santa Monica Boulevard west of Wilshire, and the east Wilshire/La Cienega areas.)*

Alternative 3. The economic sustainability analysis was prepared after obtaining guidance from the City Council as to what land use policies it wanted evaluated. Alternative 3 attempts to implement one of the recommended options of the analysis to expand economic capacity of the community. The development capacity in this scenario is higher than in Alternative 2 due to shifts in the land use mix rather than significant changes in the allowable development intensities. This Alternative includes fewer residential units but more retail as well as a new hotel, and more entertainment within the Triangle area with greater intensity in the Triangle core west of Cañon Drive. It also focuses additional growth near the proposed Transit Station at Wilshire and La Cienega. The result is that Alternative 3 is the most intensive of the three

development alternatives. *(Includes analysis of 1,100 housing units, 4.5 million square feet of retail, 130 hotel rooms, a 10,000 square foot theater, and 20,000 square feet of nightclub uses. The development intensity analyzed exceeds the City's currently allowable FAR in the Triangle core, mid-Wilshire, Santa Monica west of Wilshire, and the east Wilshire/La Cienega areas)*

Alternative 4: This alternative was developed in response to the preliminary traffic operations analysis for Alternatives 2 and 3. Alternative 4 represents a level in between Alternatives 2 and 3 and reduces the traffic implications of Alternative 3 through a better focus on providing growth opportunities and incentives to attract the key industries needed to sustain the City's fiscal balance. The land uses analyzed include retail in the Triangle core and along the Wilshire corridor (2.0 FAR) with incentives for key industries at key locations in the City including along Wilshire Boulevard in the Triangle core and Wilshire Boulevard at La Cienega Boulevard(up to 5.0 FAR). This alternative also provides opportunities for mixed use development at targeted locations (2.0 – 3.0 FAR) at intensities that are compatible with adjacent residential development such as along Robertson Boulevard and South Beverly Drive. *(Includes analysis of 520 housing units, 380 hotel rooms, 920,000 square feet of retail, 3.8 million square feet of office, a 10,000 square foot theatre, and 20,000 square feet of nightclub uses. The development intensity analyzed exceeds the City's currently allowable FAR in the Triangle core, the west Triangle area, Santa Monica west of Wilshire, and the east Wilshire/La Cienega areas except along Wilshire except adjacent to single-family residential.)* It should be noted that the higher potential densities at the Santa Monica/Lasky area and the eastern Wilshire area (shown on Figure 1 with an asterisk) have not been addressed in the traffic analysis and that the EIR traffic analysis would address these densities if the City Council and Planning Commission desire it.

The results of the evaluation of the land use alternatives are summarized in the table below. Given the progression in the development of the alternatives, the findings predictably reflect the the respective development intensities in each of the alternatives, with Alternative 2 having the least traffic impact, Alternative 3 having the greatest, and Alternative 4 falling somewhere in between. Because of its better focus on the core engines in the City's economy (e.g. hotels, Class A office), Alternative 4 provides superior fiscal results. Attachment 4 provides a comparison in proposed intensities for the existing General Plan, City Council-directed uses, and Alternative 4.

Meeting Date: January 29, 2008

LAND USE ALTERNATIVES TRAFFIC AND FISCAL IMPACT ANALYSIS SUMMARY		
DEVELOPMENT SCENARIOS	**TRAFFIC IMPACT (NUMBER OF E AND F STREET SEGMENTS)**	**FISCAL IMPACT[1]**
Alternative 1	13	2007-08 General Fund Revenue: $160.9M (Less) 2007-08 General Fund Expenditures: $160.5M Net 2007-08 General Fund Revenue: $ .4M
Alternative 2	20	Marginal Annual General Fund Revenue: $9.3M (Less) Marginal annual General Fund Expenditures: $4.6 M Net Marginal annual General Fund Revenue: $4.7M
Alternative 3	29	Marginal Annual General Fund Revenue: $23.7M (Less) Marginal annual General Fund Expenditures: $6.3 M Net Marginal annual General Fund Revenue: $17.4M
Alternative 4[2]	25	Marginal Annual General Fund Revenue: $23.7-34.5M (Less) Marginal annual General Fund Expenditures: $6.3-9.3 M Net Marginal annual General Fund Revenue: $17.4-25.2M

1 Fiscal Impact analysis uses 2007-08 City budget as a baseline for comparison of Alternatives 1 – 3.

2 Preferred Alternative indicates a range of fiscal impacts due to a blending of land uses between Alternative 3 and Alternative 4, the selected Preferred Land Use Plan (Alternative 3 with modifications to key areas).

It is important to note that after the Draft EIR is completed and hearings start on the Draft General Plan and EIR, the Planning Commission and City Council will have the opportunity to modify the proposed land use intensities based on the impacts identified in the Draft EIR. In that regard, to optimize flexibility, it is suggested that work proceed on the most intensive alternative (e.g. Alternative 3). If Alternative 3 is utilized as the Draft Land Use Map for purposes of the Draft EIR, the City Council and the Planning Commission will still have an opportunity to adopt a modified, less intensive land use map based on the findings in the EIR.

NEXT STEPS

The selected land use alternatives will result in a draft land use map and draft land use policies. With this information, the Draft General Plan will be finalized and work on the Environmental Impact Report (EIR) will be completed. It is anticipated that the Draft General Plan and EIR will be available for public review in late April 2008. In May, June and July of 2008, the Planning Commission will be holding public hearings on the Draft General Plan and EIR. The Final EIR will be released mid-July and it is anticipated that the Planning Commission will take final action of both documents at that time. City Council hearings on the Draft General Plan and EIR will be held in August 2008.

FISCAL IMPACT

None

RECOMMENDATION

Review and provide direction regarding the attached Draft Land Use Plan for the Draft General Plan.

Approved By

ATTACHMENT 1

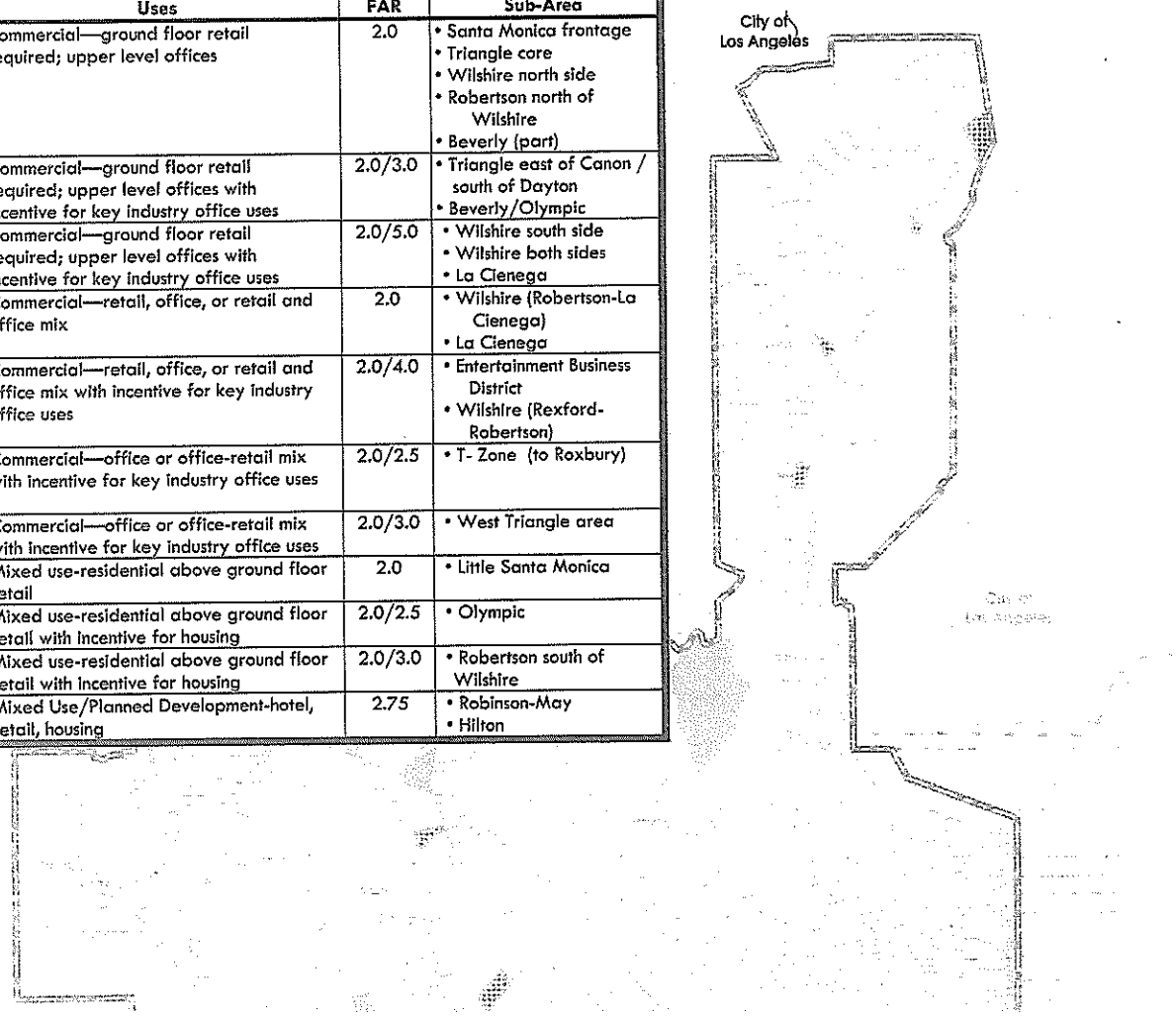
Draft Land Use Plan

Figure 1

DRAFT LAND USE PLAN

PRELIMINARY LAND USE CLASSIFICATIONS and DENSITY

Reference	Uses	FAR	Sub-Area
1	Commercial—ground floor retail required; upper level offices	2.0	• Santa Monica frontage • Triangle core • Wilshire north side • Robertson north of Wilshire • Beverly (part)
1A	Commercial—ground floor retail required; upper level offices with incentive for key industry office uses	2.0/3.0	• Triangle east of Canon / south of Dayton • Beverly/Olympic
1B	Commercial—ground floor retail required; upper level offices with incentive for key industry office uses	2.0/5.0	• Wilshire south side • Wilshire both sides • La Cienega
2	Commercial—retail, office, or retail and office mix	2.0	• Wilshire (Robertson-La Cienega) • La Cienega
2A	Commercial—retail, office, or retail and office mix with incentive for key industry office uses	2.0/4.0	• Entertainment Business District • Wilshire (Rexford-Robertson)
3A	Commercial—office or office-retail mix with incentive for key industry office uses	2.0/2.5	• T- Zone (to Roxbury)
3B	Commercial—office or office-retail mix with incentive for key industry office uses	2.0/3.0	• West Triangle area
4	Mixed use-residential above ground floor retail	2.0	• Little Santa Monica
4A	Mixed use-residential above ground floor retail with incentive for housing	2.0/2.5	• Olympic
4B	Mixed use-residential above ground floor retail with incentive for housing	2.0/3.0	• Robertson south of Wilshire
4C	Mixed Use/Planned Development-hotel, retail, housing	2.75	• Robinson-May • Hilton



Legend

Single Family Residential
- Low Density
- Medium Density
- High Density

Multi-Family Residential
- Very Low Density
- Low Density
- Low-Medium Density
- Medium Density
- High Density

Commercial
- Low Density General
- Low Density General or Medium Density Retail 85
- Low Density General or Medium Density Retail 100
- Medium Density Commercial
- Specific Plan Hotel
- Specific Plan Mixed-Use
- Low Density General and Municipal
- Mixed Use #1
- Mixed Use #2

Transitional
- Multi-Family Residential-Commercial Parking

Public and Quasi-Public
- Parks
- Public Buildings
- Public Schools
- Railroad

CBH - City Council Informal Meeting 01/29/2008

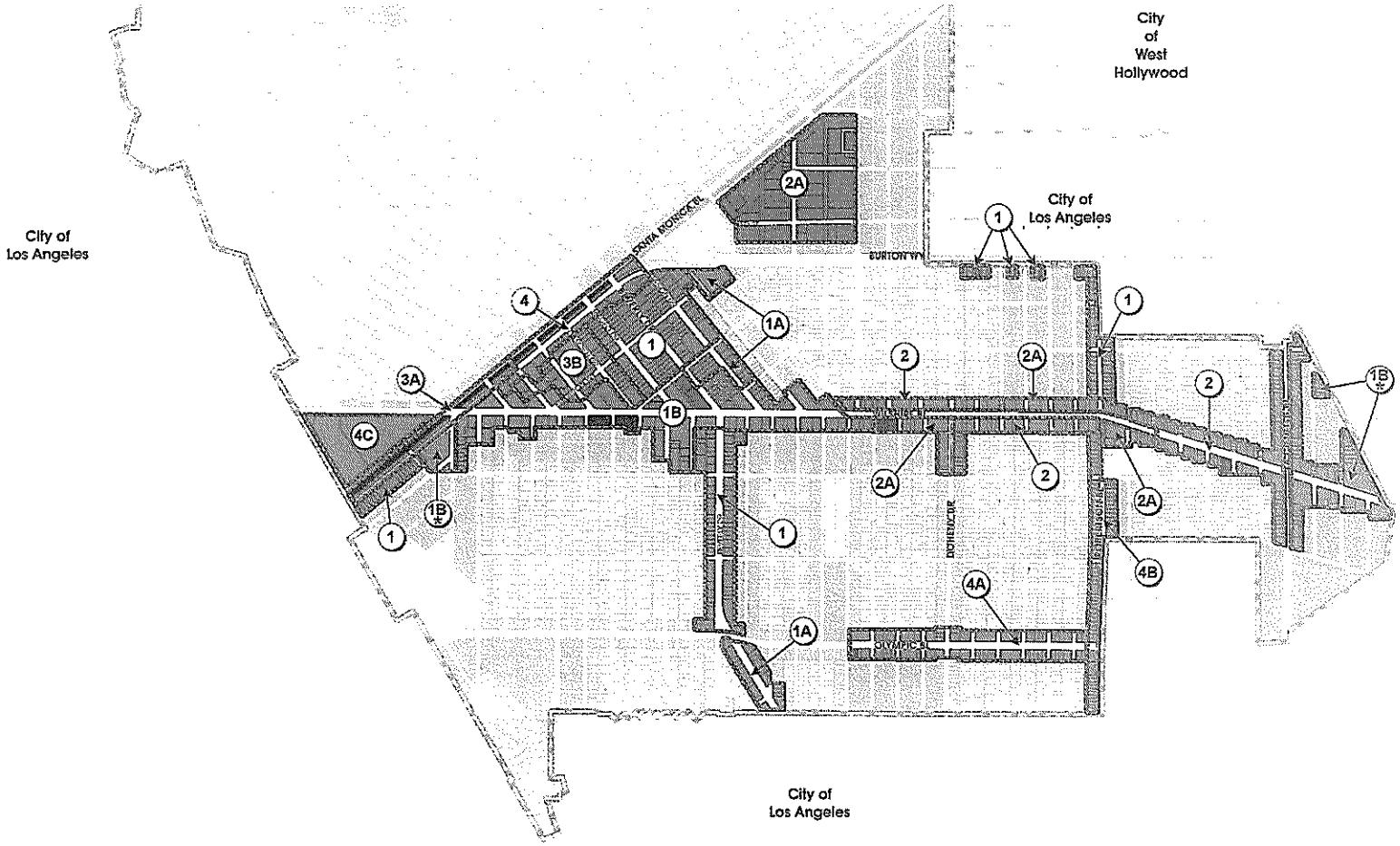


FIGURE 1

Source: City of Beverly Hills, January 11, 2008

N:\GISProjects\Beverly_Hills_GPU_10600\GP_eslze.mxd

ATTACHMENT 2

Detail of Land Use Study Areas

Figure 1A

CITY of BEVERLY HILLS
General Plan

PRELIMINARY LAND USE CLASSIFICATIONS and DENSITY

Reference	Uses	FAR	Sub-Area
1	Commercial—ground floor retail required; upper level offices	2.0	• Santa Monica frontage • Triangle core • Wilshire north side • Robertson north of Wilshire • Beverly (part)
1A	Commercial—ground floor retail required; upper level offices with incentive for key industry office uses	2.0/3.0	• Triangle east of Canon / south of Dayton • Beverly/Olympic
1B	Commercial—ground floor retail required; upper level offices with incentive for key industry office uses	2.0/5.0	• Wilshire south side • Wilshire both sides • La Cienega
2	Commercial—retail, office, or retail and office mix	2.0	• Wilshire (Robertson-La Cienega) • La Cienega
2A	Commercial—retail, office, or retail and office mix with incentive for key industry office uses	2.0/4.0	• Entertainment Business District • Wilshire (Rexford-Robertson)
3A	Commercial—office or office-retail mix with incentive for key industry office uses	2.0/2.5	• T- Zone (to Roxbury)
3B	Commercial—office or office-retail mix with incentive for key industry office uses	2.0/3.0	• West Triangle area
4	Mixed use-residential above ground floor retail	2.0	• Little Santa Monica
4A	Mixed use-residential above ground floor retail with incentive for housing	2.0/2.5	• Olympic
4B	Mixed use-residential above ground floor retail with incentive for housing	2.0/3.0	• Robertson south of Wilshire
4C	Mixed Use/Planned Development-hotel, retail, housing	2.75	• Robinson-May • Hilton

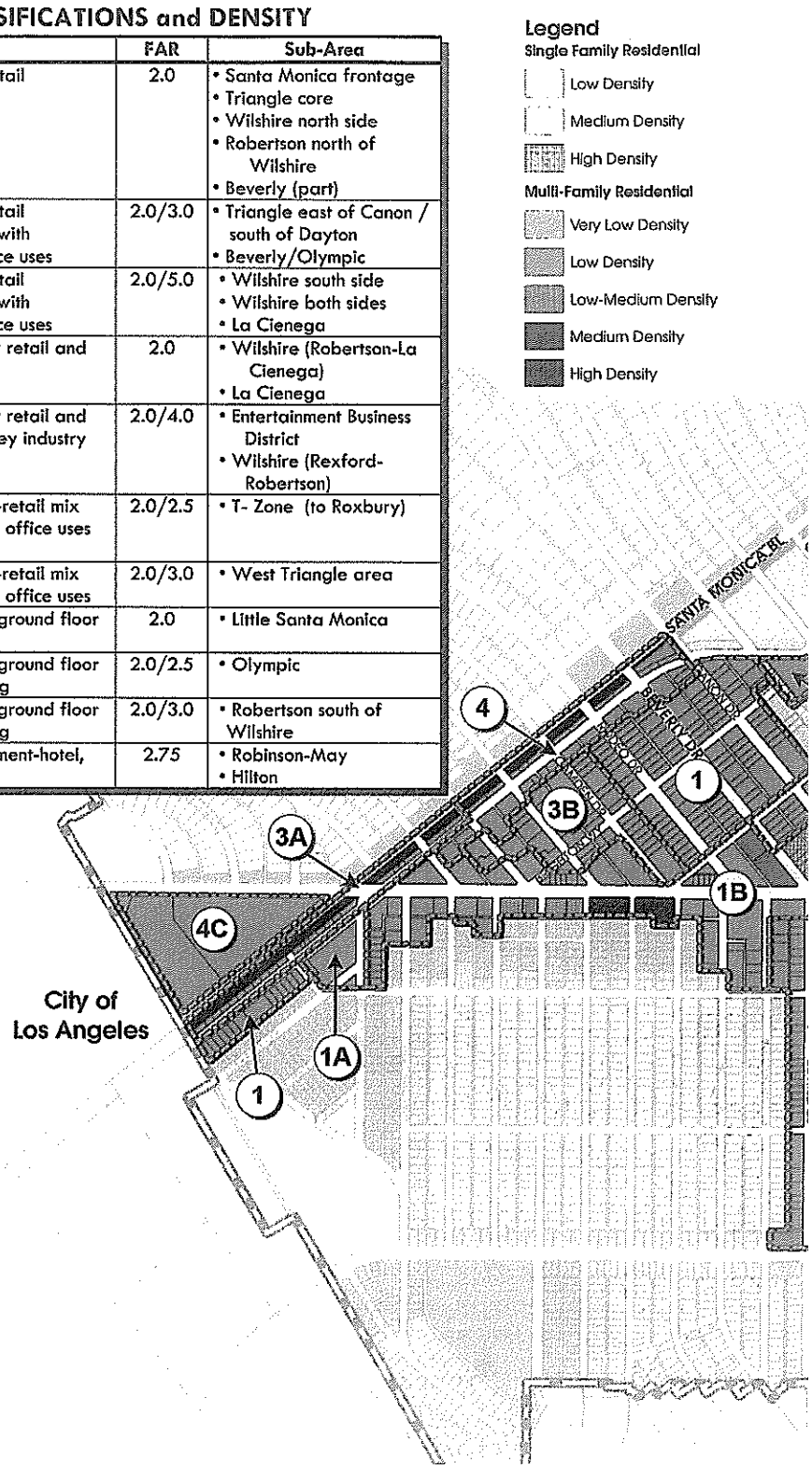


FIGURE 1a

Source: City of Beverly Hills, January 11, 2008

N:\GISProjects\Beverly_Hills_GPU_10600\GP_esize.mxd

DRAFT LAND USE PLAN

Commercial

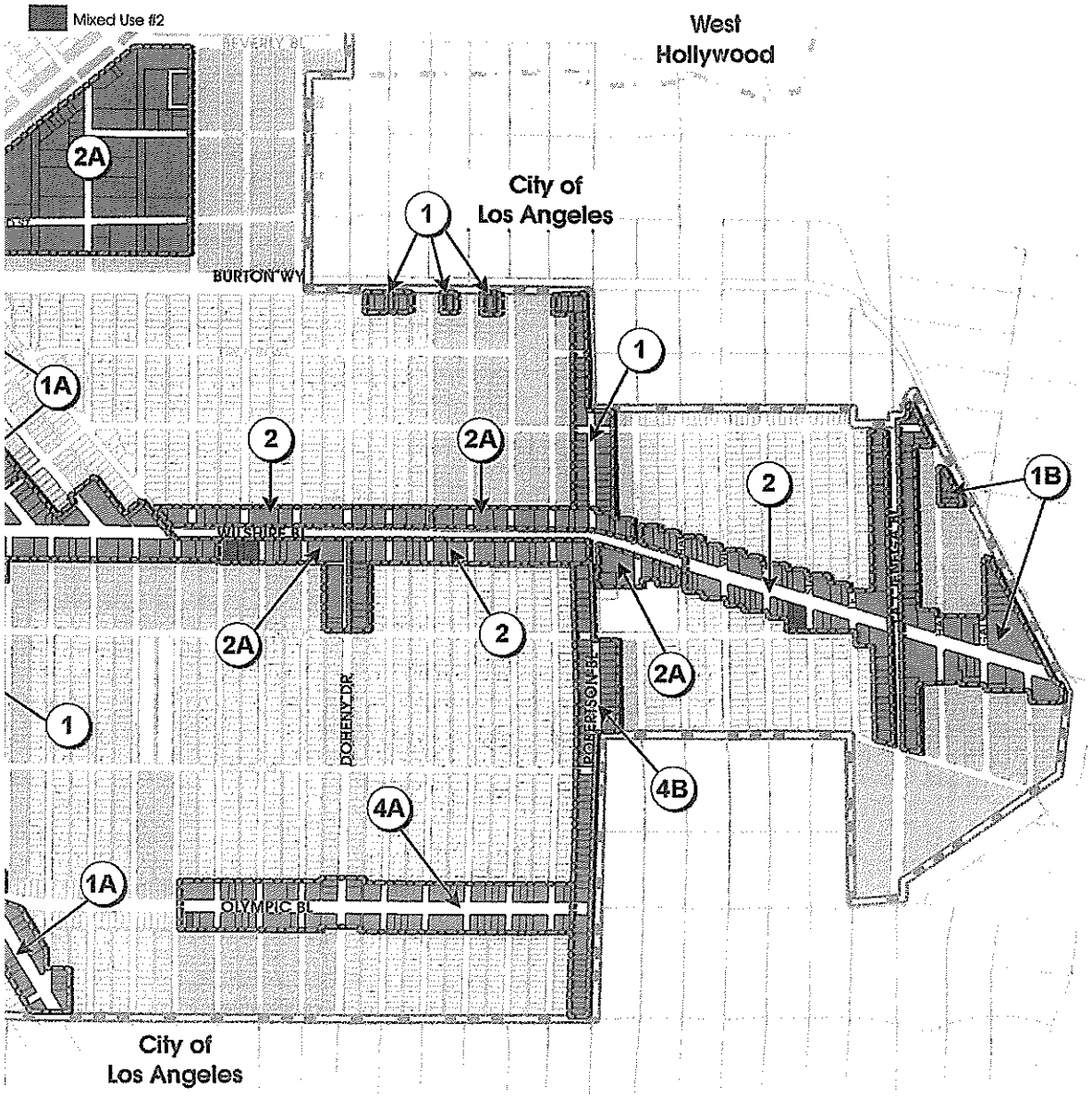
- Low Density General
- Low Density General or Medium Density Retail 85
- Low Density General or Medium Density Retail 100
- Medium Density Commercial
- Specific Plan Hotel
- Specific Plan Mixed-Use
- Low Density General and Municipal
- Mixed Use #1
- Mixed Use #2

Transitional

- Multi-Family Residential-Commercial Parking

Public and Quasi-Public

- Parks
- Public Buildings
- Public Schools
- Railroad
- Reservoirs



PBSJ

0 750 1,500 3,000 Feet

ATTACHMENT 3
Draft Land Use Classifications

PRELIMINARY LAND USE CLASSIFICATIONS and DENSITY (FAR)

Reference	Uses	FAR (Floor Area Ratio)	Sub-Area
1	Commercial—ground floor retail required; upper level offices	2.0	• Santa Monica frontage • Triangle core • Wilshire north side • Robertson north of Wilshire • Beverly (part)
1A*	Commercial—ground floor retail required; upper level offices with incentive for key industry office uses	2.0/3.0	• Triangle east of Canon / south of Dayton • Beverly/Olympic
1B*	Commercial—ground floor retail required; upper level offices with incentive for key industry office uses	2.0/5.0	• Wilshire south side • Wilshire both sides • La Cienega
2	Commercial—retail, office, or retail and office mix	2.0	• Wilshire (Robertson-La Cienega) • La Cienega
2A	Commercial—retail, office, or retail and office mix with incentive for key industry office uses	2.0/4.0	• Entertainment Business District • Wilshire (Rexford-Robertson)
3A	Commercial—office or office-retail mix with incentive for key industry office uses	2.0/2.5	• T- Zone (to Roxbury)
3B	Commercial—office or office-retail mix with incentive for key industry office uses	2.0/3.0	• West Triangle area
4	Mixed use-residential above ground floor retail	2.0	• Little Santa Monica
4A	Mixed use-residential above ground floor retail with incentive for housing	2.0/2.5	• Olympic
4B	Mixed use-residential above ground floor retail with incentive for housing	2.0/3.0	• Robertson south of Wilshire
4C	Mixed Use/Planned Development-hotel, retail, housing	2.75	• Robinson-May • Hilton

* Area 1A, at the location noted on the Draft Land Use Plan map, will require additional traffic analysis for development at an FAR from 2.0 – 3.0. Area 1B, at the location noted on the Draft Land Use Plan map, will require additional traffic analysis for development at an FAR from 3.0 - 5.0.

ATTACHMENT 4
Land Use Alternatives Comparison Matrix

Be Part of the **PLAN!**
Participation Leadership Action Now
The Beverly Hills General Plan Update

Comparative Summary of Draft Land Use Plan by Geographic Subarea*

Subarea (See Key Map for Boundaries)		*Allowed by Existing Gen Plan*	*Council Direction to Test (Land Use / Intensity)*	*Draft Land Use*	*Draft Intensity (FAR)*
	Hilton Site	2.0	N/A	Mixed-Use:Hotel/Res/Retail	As Proposed
	Robinsons May Site		N/A	Mixed-Use: Residential/Retail	2.7 - As Proposed
	T Zone	2.0	Retail/Office at 2.5	Retail/Office	2.0 - 2.5
3	Little Santa Monica	2.0	N/A	Mixed-Use:Res/Retail	2.0-3.0
	Business Triangle Core	2.0	General commercial - 3.0	Commercial, Hotel, Entertainment	2.0
	East Triangle	2.0	General commercial - 3.0	General Commercial /Office	3.0
	Little Santa Monica	2.0	Mixed Use - 2.0	Mixed Use: Retail/Office/Res	2.0
	Western Triangle	2.0	Increase in medical office	Gen. Comm/Entertainment	2.0 - 3.0 w/incentive for key businesses
	Wilshire Blvd (north side)	2.0	General commercial - 2.5	Retail, Office, Hotel	2.0 - 5.0 w/incentive for key businesses
4	Wilshire Blvd (south side)	5.0	General commercial - 5.0	Retail, Office, Hotel	2.0 - 5.0 w/incentive for key businesses
5	Entertainment Bus District	2.0	N/A	Retail/Office/Residential	2.0 - 4.0 w/incentive for key businesses
6	Central Residential	8 du/ac	Mixed -use (retail/res.)	Mixed Use: Retail/Office/Res	2.0
	No. Mid-Wilshire/east LaCienega	2.5	General commercial - 2.5	General Commercial /Office	2.0 - 4.0 w/incentive for key businesses
	So. Mid-Wilshire/east LaCienega	2.5	General commercial - 2.5	General Commercial /Office	2.0 - 4.0 w/incentive for key businesses
	Wilshire at eastern City Limits	2.0	Commercial/Office 3.0	General Commercial /Office	2.0 - 5.0 w/incentive for key businesses
7	La CiengaWilshire at east City Limits	2.0	General commercial - 2.5	Gen. Commercial / Office	2.0 - 5.0 w/incentive for key businesses
	Robertson (No. Wilshire)	2.0	Mixed use - up to 3.0	Mixed use: Retail, residential	2.0
8	Roberton (So. Wilshire)	2.0	Mixed use - up to 3.0	Mixed Use: Retail/Office/Res	2.0 - 3.0 w/incentive for residential
	Beverly Drive (No. of Olympic)	2.0	Mixed use - up to 2.5	Mixed use: Retail, residential	2.0
12	Beverly Drive (So. of Olympic)	2.0	Mixed use - up to 3.0	Mixed use: Retail, office, res.	2.0 - 3.0 w/incentive for key businesses
13	Olympic Boulevard	2.0	Mixed use - up to 2.5	Mixed use: Retail, residential	2.0 - 2.5 w/incentive for housing

*Draft Plan reflects areas of change only. All areas not included in Draft Land Use Plan will maintain current General Plan land use and density.

PBSJ 1.22.08

ATTACHMENT 5
Traffic Analysis for Land Use Alternatives

FEHR & PEERS
KAKU ASSOCIATES

TECHNICAL MEMORANDUM

DATE: January 7, 2008

TO: Linda Tatum, PBS&J

FROM: Sarah Brandenberg & Dick Kaku

RE: Traffic Analysis for Beverly Hills General Plan with Preferred Alternative – Draft *1842*

This memorandum presents the traffic impact analysis for the proposed City of Beverly Hills General Plan. Four land use scenarios have been analyzed under cumulative conditions including the Preferred Alternative. Traffic operations were analyzed for 45 roadway segments within the City during the a.m. and p.m. peak hours to determine potential traffic impacts of the proposed General Plan land use scenarios under buildout (Year 2030) conditions. The proposed General Plan land uses, methodology used to determine potential traffic impacts, and resulting traffic operations are presented below. The Preferred Alternative was also analyzed with the potential future Metro transit line along Wilshire Boulevard.

Proposed Beverly Hills General Plan

The existing land uses within the City of Beverly Hills and the four land use scenarios proposed under the General Plan were provided by the project team in 2007. The City was divided into approximately 20 traffic analysis zones (TAZs) and the existing and proposed land uses were documented for each TAZ. Appendix A contains a detailed table displaying the existing and proposed land uses for each TAZ in the City of Beverly Hills and a TAZ map.

The General Plan scenarios range from no additional development within the City (Alternative 1) to a higher density alternative (Alternative 3). Based on the preliminary traffic operations results, a preferred land use alternative was developed by the project team. Table 1 summarizes the existing and proposed land uses for the City of Beverly Hills. The land use scenarios are described below.

- ***Alternative 1***: No new development would occur in the City of Beverly Hills under Alternative 1. The City currently has approximately 16,000 residential units, 4 million square feet of retail, 11.2 million square feet of office, and 1.3 million square feet of medical uses. The purpose of this alternative is to determine traffic operations within the City resulting from growth in neighboring jurisdictions under cumulative (2030) conditions.

Table 1
City of Beverly Hills Existing & Proposed General Plan Land Uses

Description	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Nightclub (sq. ft.)
Total Existing (Alt. 1)	5,754	10,000	150	569	4,034,493	49,536	11,222,344	120,082	4,147	1,269,780	960,030	0
Net New Land Uses												
Alt. 2 New	-2	1,531	0	-47	2,394,481	0	-1,271,931	0	0	-168,002	-161,066	7,000
Alt. 3 New	-2	503	600	131	4,546,846	10,000	-473,498	0	0	-36,770	-161,066	20,000
Preferred Alternative New	-2	517	0	381	922,216	-848	3,785,016	-12,198	-200	-278,271	-190,789	20,000
Total Citywide Land Uses												
Total Alt. 1 Existing	5,754	10,000	150	569	4,034,493	49,536	11,222,344	120,082	4,147	1,269,780	960,030	0
Total Alt. 2	5,752	11,531	150	522	6,428,974	49,536	9,950,413	120,082	4,147	1,101,778	798,964	7,000
Total Alt. 3	5,752	10,503	750	700	8,581,339	59,536	10,748,846	120,082	4,147	1,233,010	798,964	20,000
Total Preferred Alternative	5,752	10,517	150	950	4,956,709	48,688	15,007,360	107,884	3,947	991,509	769,241	20,000

Notes:
DUs = Dwelling Units
Source: PBS&J, August 31, 2007 and December 2007.

- ***Alternative 2***: This land use alternative proposes the development of approximately 1,500 multi-family dwelling units, 2.4 million square feet of retail, and a 7,000 square foot nightclub. To provide development opportunities for the proposed land uses, approximately 1.3 million square feet of office, 170,000 square feet of medical, and 160,000 square feet of institutional uses would be eliminated. Under Alternative 2, the City would be comprised of approximately 17,500 residential units, 6.4 million square feet of retail, 9.9 million square feet of office, and 1.1 million square feet of medical uses.
- ***Alternative 3***: This land use alternative proposes the development of approximately 500 multi-family and 600 senior dwelling units, 4.5 million square feet of retail, 130 new hotel rooms, 10,000 square feet of theatre space, and 20,000 square feet of nightclub uses. To provide development opportunities for the proposed land uses, approximately 475,000 square feet of office, 37,000 square feet of medical, and 160,000 square feet of institutional uses would be eliminated. Under Alternative 3, the City would be comprised of approximately 17,000 residential units, 8.6 million square feet of retail, 10.7 million square feet of office, and 1.2 million square feet of medical uses.
- ***Preferred Alternative***: This land use alternative was developed in response to the preliminary traffic operations analysis conducted for Alternatives 1 through 3. The Preferred Alternative proposes the development of approximately 520 multi-family dwelling units, 380 hotel rooms, 920,000 square feet of retail, 3.8 million square feet of office, and 20,000 square feet of nightclub uses. To provide development opportunities for the proposed land uses, approximately 280,000 square feet of medical, and 190,000 square feet of institutional uses would be eliminated. Under the Preferred Alternative, the City would be comprised of approximately 16,400 residential units, 5 million square feet of retail, 15 million square feet of office, and 1 million square feet of medical uses.

The City of Beverly Hills is preparing a specific plan for the Entertainment Business District (EBD). The proposed development within the EBD was assumed to be in place under Alternatives 2 and 3 and the Preferred Alternative for the General Plan analysis. The land uses, trip generation, and trip distribution for the EBD were provided by the City based on the studies currently being conducted for the Specific Plan. The land uses proposed within the EBD are as follows: 170 condominiums, 852,000 square feet of office, an 80,000 square foot community recreation building, and 154,500 square feet of retail including 10,000 square feet of restaurant space.

Study Area & Roadways

The study area for the traffic analysis is comprised of roadway segments within the City of Beverly Hills. Forty-five roadway segments were analyzed to determine potential traffic impacts of proposed development under the General Plan scenarios. Figure 1 displays the study roadways and the number of travel lanes and classification of each roadway segment.

LOS Methodology

Traffic operations within the City of Beverly Hills are described in terms of roadway segment capacities and level of service (LOS) for this study. Roadway link analysis is typically the level of detail used in long-term programmatic analyses, such as general plans or community plans. This level of detail is consistent with identification of street system capacity from a functional class perspective. In addition, land uses proposed as part of a general plan are traditionally not developed to the level of detail required to produce accurate intersection turning movement forecasts.

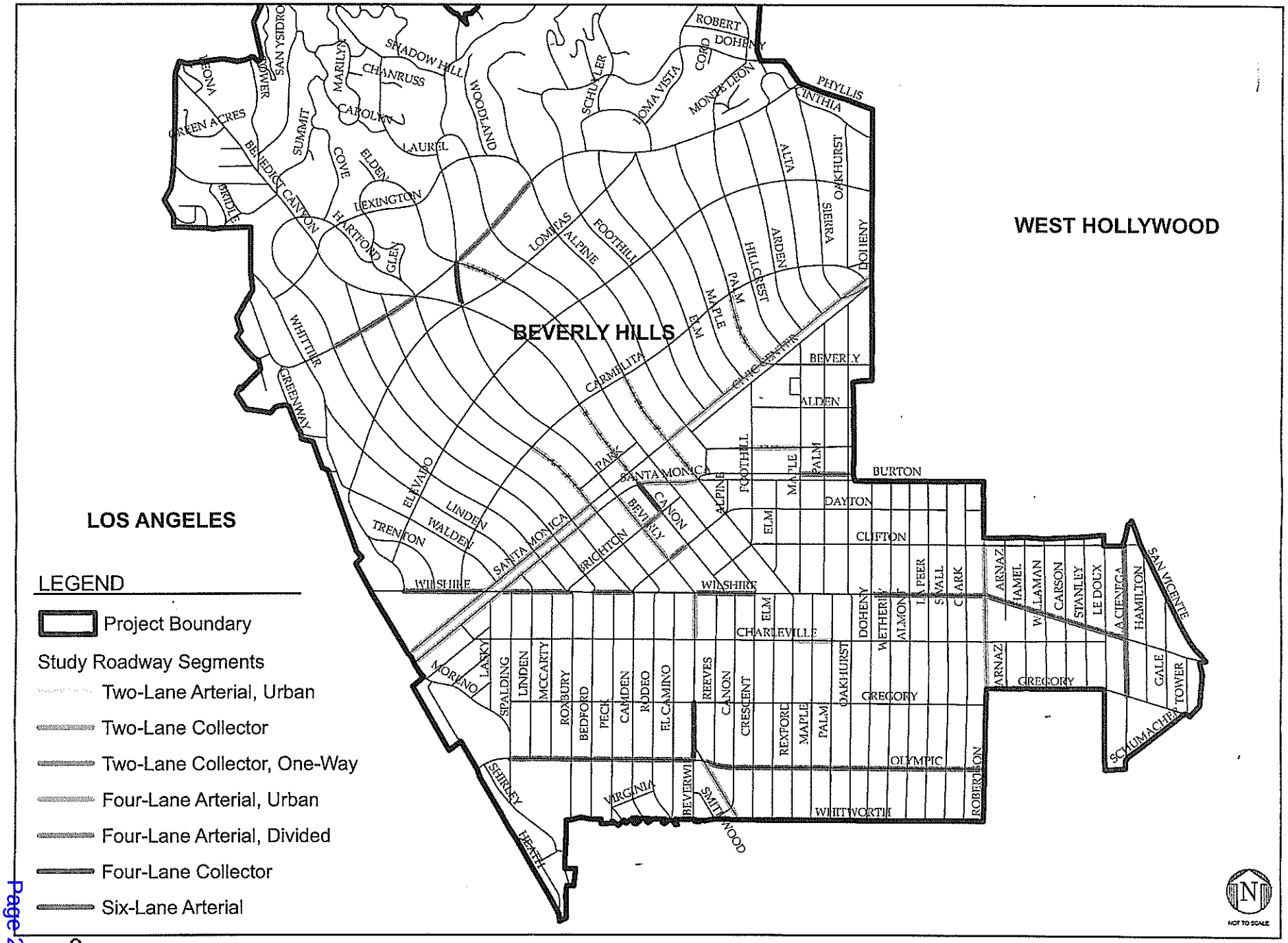
Roadway capacities are often based on daily volume thresholds that reflect travel conditions for various facility types (e.g., two-lane collectors, six-lane arterials, etc.). However, since peak hour traffic volumes are a better indication of roadway congestion during commute hours when traffic volumes are typically highest, peak hour roadway capacities were developed to reflect the roadway system within the City of Beverly Hills, and roadway operations were analyzed during the a.m. and p.m. peak hours. Roadway capacities were based on the procedures outlined in *Highway Capacity Manual* (Transportation Research Board, 2000) and employed in the Highway Capacity Software (HCS) program. Table 2 displays the peak hour capacities that were applied to the General Plan traffic analysis for the various roadway facility types. Appendix B contains the HCS worksheets for each roadway facility type and LOS threshold.

Existing and future (Year 2030) peak hour traffic volumes on the study roadway segments were compared to the roadway capacities and LOS thresholds presented in Table 2 to determine the operating conditions of the roadways during the a.m. and p.m. peak hour. To reflect peak hour bottleneck conditions at the eastern and western City gateways along Santa Monica Boulevard (i.e., the Santa Monica Boulevard/Wilshire Boulevard and Santa Monica Boulevard/Doheny Drive intersections), the roadway capacities for the adjacent study segments were reduced by 10 percent.

Existing Roadway Operations

Existing morning (7:00 – 9:00 a.m.) and afternoon (4:00 – 6:00 p.m.) peak hour traffic volumes were collected from the City of Beverly Hills based on traffic studies conducted during the past three years. Roadway volumes were determined based on intersection turning movement counts collected along the study roadway segments. Appendix C contains a table summarizing the traffic counts collected from the City along with the date of the count and a.m. and p.m. peak hour traffic volumes.

Peak hour traffic volumes on the study roadway segments were compared to the LOS thresholds for the facility type to determine the existing a.m. and p.m. peak hour traffic operations. Table 3 summarizes the existing traffic volumes, facility type, and peak hour LOS under existing conditions. Figures 2 and 3 display the existing a.m. and p.m. peak hour operations, respectively, for the study roadway segments.



FEHR & PEERS
KAKU ASSOCIATES

STUDY ROADWAY SEGMENTS
FIGURE 1

Table 2
Peak Hour Roadway Capacities for City of Beverly Hills General Plan Analysis

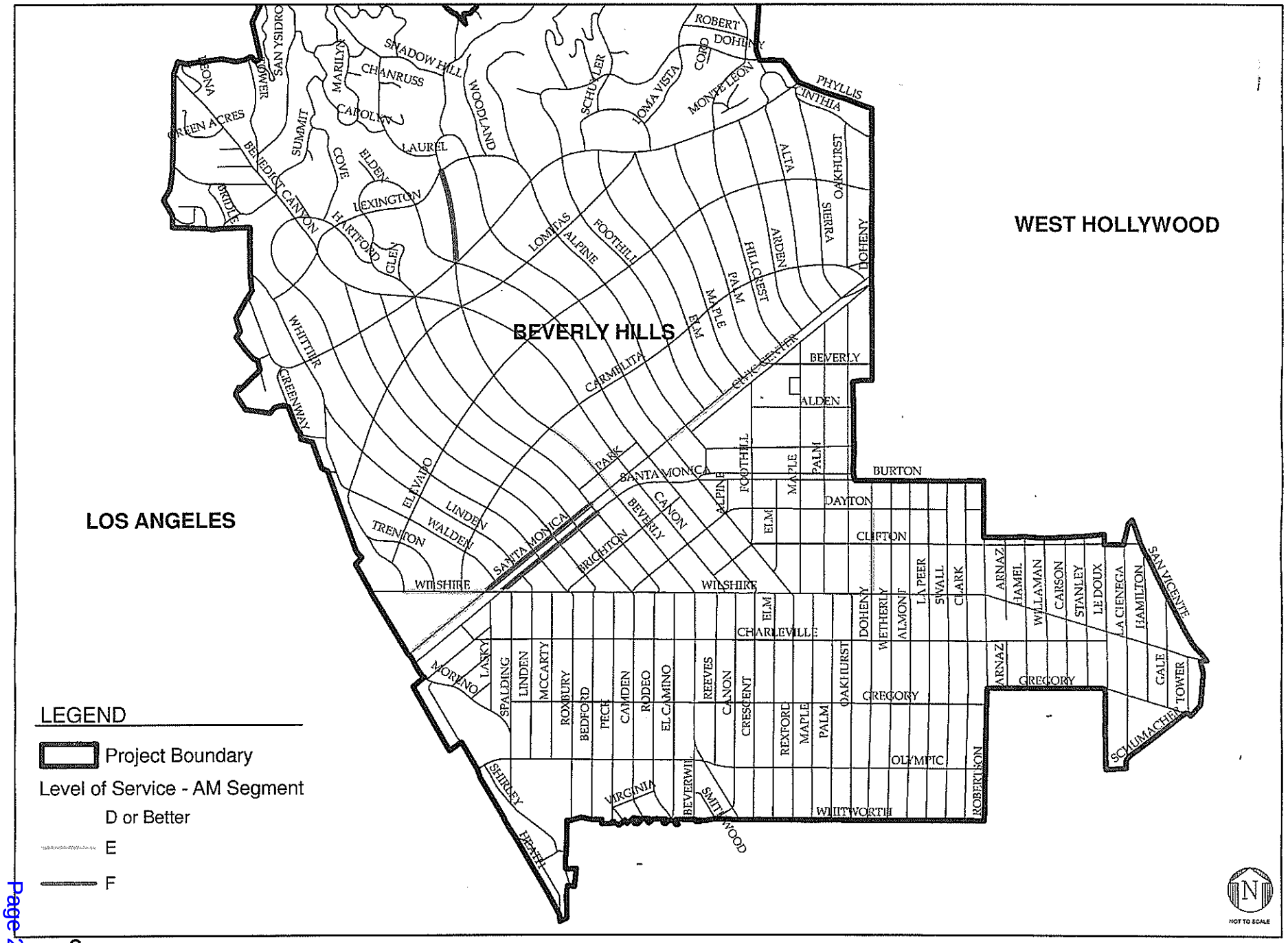
Operational Class	Abbreviation	Peak Hour Level-of-Service Capacity Threshold				
		A	B	C	D	E
Two-Lane Arterial, Urban	2A	-	-	-	1210	1420
Four-Lane Arterial, Urban	4A	-	-	-	2660	2850
Four-Lane Arterial, Divided	4ADIV	-	-	3,020	3,360	3,600
Six-Lane Arterial	6A	-	-	4,400	4,795	5,130
Two-Lane Collector	2C	-	-	200	920	1030
Four-Lane Collector	4C	-	-	930	1,980	2,090
Two-Lane Collector, One-Way	2CO	-	-	-	930	1,260

Notes:
– LOS thresholds not reported due to type of facility.
Source: *Highway Capacity Manual*, Transportation Research Board, 2000, and Fehr & Peers, 2007.

Table 3
Existing Peak Hour Roadway Operations

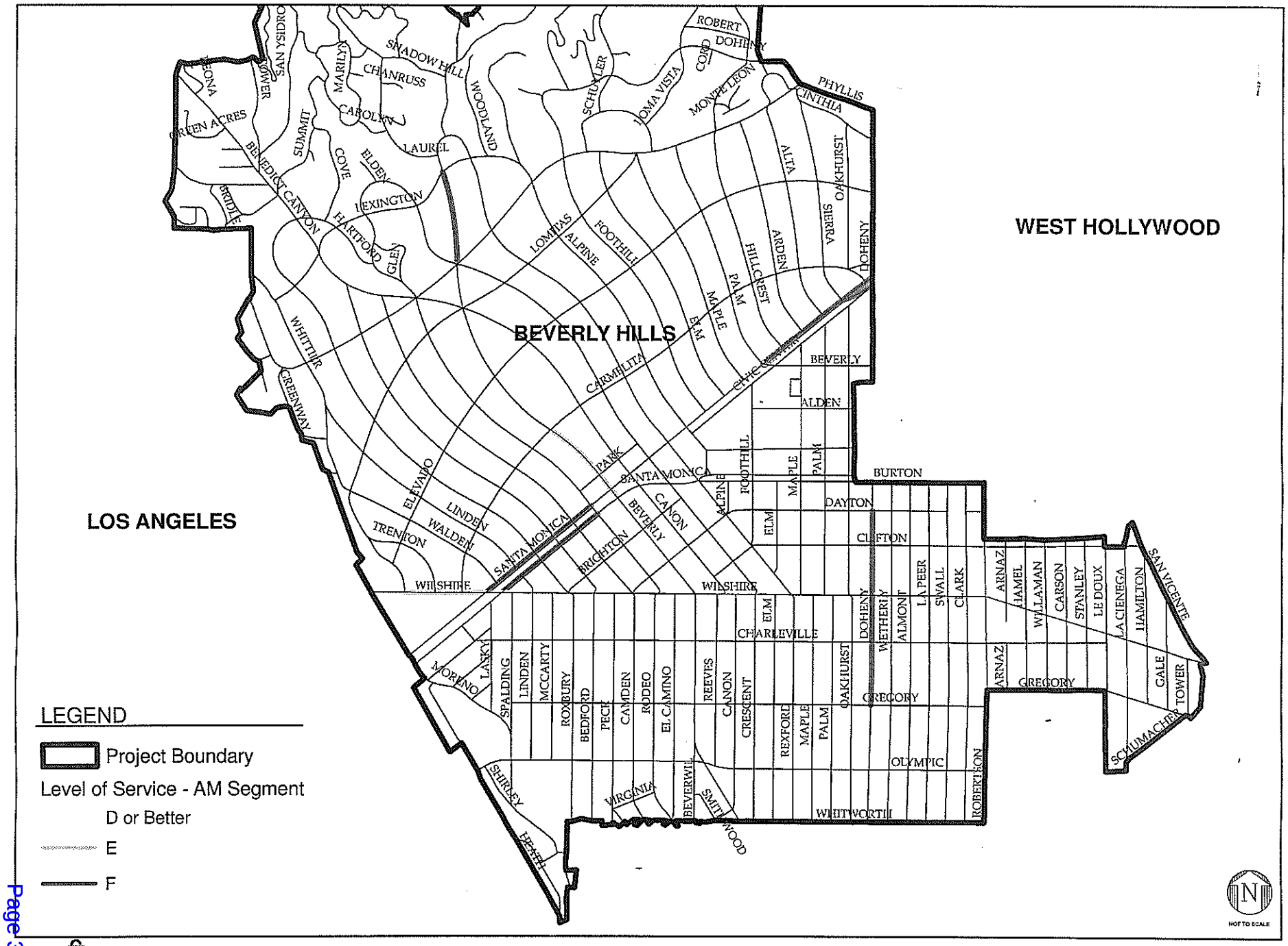
Seg	Roadway	From	To	Lanes/ Facility Type	Existing			
					Seg A.M. Pk Vol	Seg P.M. Pk Vol	Seg A.M. Pk LOS	Seg P.M. Pk LOS
1	SUNSET BL	ROXBURY DR	CANON DR	4ADIV	3,327	3,126	D	D
2	SUNSET BL	CRESCENT DR	ALPINE DR	4ADIV	3,314	3,080	D	D
3	CANON DR	SUNSET BL	LEXINGTON RD	2A	1,151	1,084	C	C
4	BEVERLY DR	SUNSET BL	LEXINGTON RD	2A	1,431	1,572	F	F
5	CANON DR	LOMITAS AV	SUNSET DR	2A	1,046	1,049	C	C
6	BEVERLY DR	LOMITAS AV	SUNSET DR	4C	1,271	1,355	D	D
7	N CRESCENT DR	LOMITAS AV	SUNSET DR	2C	473	764	D	D
8	RODEO DR	N SANTA MONICA BL	CARMELITA AV	2C	445	601	D	D
9	BEVERLY DR	N SANTA MONICA BL	CARMELITA AV	2A	1,235	1,261	E	E
10	CANON DR	N SANTA MONICA BL	CARMELITA AV	2C	651	793	D	D
11	REXFORD DR	N SANTA MONICA BL	CARMELITA AV	2C	573	648	D	D
12	PALM DRIVE	N SANTA MONICA BL	CARMELITA AV	2C	437	395	D	D
13	N SANTA MONICA BL[1]	CENTURY PARK	WILSHIRE BL	4A	2,475	2,201	E	C
14	N SANTA MONICA BL[1]	WILSHIRE BL	RODEO DR	4A	3,484	3,848	F	F
15	N SANTA MONICA BL	REXFORD DR	PALM DR	4A	2,837	2,606	E	C
16	N SANTA MONICA BL1	PALM DR	DOHENY DR	4A	2,315	2,790	C	F
17	S SANTA MONICA BL	CENTURY PARK	WILSHIRE BL	4A	2,176	2,565	C	C
18	S SANTA MONICA BL	WILSHIRE BL	RODEO DR	4A	3,179	2,877	F	F
19	S SANTA MONICA BL	CANON DR	REXFORD DR	4A	2,654	2,649	C	C
20	3RD ST	FOOTHILL RD	MAPLE DR	2C	619	529	D	D
21	BURTON WAY	MAPLE DR	DOHENY DR	4ADIV	1,725	2,326	C	C
22	WILSHIRE BL[1]	MERV GRIFFIN WAY	N SANTA MONICA BL	6A	4,424	4,432	E	E
23	WILSHIRE BL[1]	S SANTA MONICA BL	ROXBURY DR	6A	3,179	2,877	C	C
24	WILSHIRE BL	BEDFORD DR	CAMDEN DR	6A	3,190	3,519	C	C
25	WILSHIRE BL	BEVERLY DR	CRESCENT DR	6A	3,158	3,063	C	C
26	WILSHIRE BL	DOHENY DR	ROBERTSON BL	6A	3,039	3,401	C	C
27	WILSHIRE BL	ROBERTSON BL	LA CIENEGA BL	6A	2,779	2,964	C	C
28	OLYMPIC BL	SPALDING DR	BEVERWIL DR	6A	3,634	3,753	C	C
29	OLYMPIC BL	BEVERLY DR	DOHENY DR	6A	3,429	3,692	C	C
30	OLYMPIC BL	DOHENY DR	ROBERTSON BL	6A	2,527	4,523	C	D
31	BEVERLY DR	BRIGHTON WAY	S SANTA MONICA BL	4A	1,552	1,839	C	C
32	CANON DR	BRIGHTON WAY	S SANTA MONICA BL	4C	467	815	C	C
33	BRIGHTON WAY	BEVERLY DR	CANON DR	2CO	282	348	C	C
34	BEVERLY DR	DAYTON WAY	BRIGHTON WAY	4A	1,514	1,812	C	C
35	DAYTON WAY	BEVERLY DR	CANON DR	2CO	248	580	C	C
36	BEVERLY DR	CHARLEVILLE BL	WILSHIRE BL	4A	1,532	1,796	C	C
37	BEVERWIL DR	RODEO DR	OLYMPIC BL	4C	700	1,114	C	D
38	BEVERLY DR	WHITWORTH DR	OLYMPIC BL	4A	949	1,200	C	C
39	DOHENY DR	WILSHIRE BL	DAYTON WAY	2A	1,256	1,528	E	F
40	DOHENY DR	GREGORY BL	WILSHIRE BL	2A	1,205	1,583	C	F
41	ROBERTSON BL	WILSHIRE BL	CLIFTON WAY	4A	1,438	1,604	C	C
42	ROBERTSON BL	GREGORY BL	WILSHIRE BL	4A	1,565	1,871	C	C
43	LA CIENEGA BL	WILSHIRE BL	CLIFTON WAY	6A	2,260	2,709	C	C
44	LA CIENEGA BL	GREGORY BL	WILSHIRE BL	6A	2,589	2,870	C	C
45	CHARLEVILLE BL	REXFORD DR	PALM DR	2C	490	530	D	D
				Number of Segments at LOS E	*Existing =*		5	2
				Number of Segments at LOS F			3	6
				Number of Segments at LOS E & F			8	8

Notes:
1. Roadway capacities decreased by 10% to account for peak hour bottleneck conditions at City Gateways along Santa Monica Boulevard.



FEHR & PEERS
KAKU ASSOCIATES

EXISTING CONDITIONS - AM PERIOD
FIGURE 2



FEHR & PEERS
KAKU ASSOCIATES

EXISTING CONDITIONS - PM PERIOD

FIGURE 3

General Plan Traffic Analysis

The General Plan traffic analysis consisted of developing cumulative (Year 2030) traffic forecasts for the study roadway segments to determine traffic increases due to planned regional growth, estimating the trip generation of the proposed General Plan uses and the distribution of trips to the surrounding roadway network, assigning new trips using the City's TRAFFIX model, and analyzing peak hour traffic operations for the four proposed General Plan scenarios as presented below.

Cumulative (Year 2030) Traffic Forecasts

The Southern California Association of Governments (SCAG) travel demand forecasting model was used to estimate the increase in traffic volumes between existing and cumulative (Year 2030) conditions due to regional growth. The SCAG model has a base year of 2000 and future year of 2030 and forecasts a.m. and p.m. peak period volumes. The model contains the major roadways within the City of Beverly Hills. The base year and 2030 traffic forecasts for each City roadway contained in the model were reviewed to determine the amount of traffic growth. The peak hour growth rates per direction of travel were used to determine the growth rate to be applied to the General Plan analysis.

Table 4 summarizes the increase in traffic volumes between the base year model and 2030 conditions for roadways within the City and the growth rates applied to the General Plan traffic analysis. The average annual growth rate was applied over a 25-year period to determine the total traffic volume increase expected by 2030. As shown, the growth rates for the General Plan study range from 5 percent (0.2 percent per year) to 17 percent (0.7 percent per year). For roadways not contained in the SCAG model, a growth rate of 5 percent (0.2 percent per year) was applied to the study roadway segments. Since most roadways not contained in the SCAG model are secondary facilities serving primarily City traffic, traffic volume increases would mainly occur because of City development, not regional growth.

The growth percentages developed with the SCAG model already assume some growth within the City of Beverly Hills as contained in the 2030 version of the model. Therefore, the growth rates applied to the General Plan analysis are likely a conservative (high) estimate of traffic volume increases if no additional development were to occur within the City (as analyzed under General Plan Alternative 1).

Table 4
SCAG Growth Projections for City of Beverly Hills Roadways

Roadway	A.M. Peak Hour westbound	A.M. Peak Hour eastbound	P.M. Peak Hour westbound	P.M. Peak Hour eastbound	Applied to General Plan A.M. Peak	Applied to General Plan P.M. Peak
Wilshire Boulevard						
Total Average:	-6.98%	8.68%	5.49%	5.91%	7.50%	5.00%
Annual Growth Rate:	-0.23%	0.29%	0.18%	0.20%	0.30%	0.20%
Santa Monica Boulevard						
Total Average:	12.50%	1.83%	12.85%	10.63%	10.00%	10.00%
Annual Growth Rate:	0.42%	0.06%	0.43%	0.35%	0.40%	0.40%
Sunset Boulevard						
Total Average:	-0.06%	7.10%	4.32%	-2.90%	5.00%	5.00%
Annual Growth Rate:	0.00%	0.24%	0.14%	-0.10%	0.20%	0.20%
Olympic Boulevard						
Total Average:	0.63%	6.29%	12.58%	3.58%	5.00%	10.00%
Annual Growth Rate:	0.02%	0.21%	0.42%	0.12%	0.20%	0.40%
Beverly Boulevard						
Total Average:	24.07%	8.36%	28.34%	4.15%	17.50%	17.50%
Annual Growth Rate:	0.80%	0.28%	0.94%	0.14%	0.70%	0.70%
Burton Way						
Total Average:	-15.78%	11.78%	-1.78%	6.29%	10.00%	5.00%
Annual Growth Rate:	-0.53%	0.39%	-0.06%	0.21%	0.40%	0.20%
	southbound	**northbound**	**southbound**	**northbound**	**AM Peak**	**PM Peak**
La Cienega Boulevard						
Total Average:	-1.00%	4.92%	6.90%	9.77%	5.00%	7.50%
Annual Growth Rate:	-0.03%	0.16%	0.23%	0.33%	0.20%	0.30%
Other City Roadways					5.00%	5.00%
					0.20%	0.20%

Notes:
1. Traffic volume growth based on SCAG travel demand model with 2000 base year and 2030 cumulative conditions.
2. Average Annual Growth Rate applied over 25 year period to develop 2030 traffic forecasts for General Plan analysis.

Trip Generation

The trip generation for the proposed General Plan land uses was estimated based on trip rates published in *Trip Generation, 7th Edition* (Institute of Transportation Engineers [ITE], 2003). The trip generation was calculated based on the amount of development proposed within each TAZ under the four General Plan land use scenarios. Trips generated by land uses that would be eliminated with proposed development were subtracted from the total trip generation to determine the number of "new trips" generated by each General Plan scenario.

The trip generation was also estimated for existing land uses within the City of Beverly Hills for comparison purposes. As shown in Table 5, the City of Beverly Hills currently generates approximately 30,000 a.m. peak hour and 45,000 p.m. peak hour trips according to ITE trip generation rates. Based on a review of existing travel patterns in the City and output from the SCAG model, the majority of trips generated by the City are external trips (i.e., trips that have either an origin or destination outside the City limits). The SCAG model projects that 6 percent of a.m. peak hour and 9 percent of p.m. peak hour trips remain internal to the City.

As discussed and summarized in Table 1, the General Plan land use scenarios would increase the amount of residential uses by approximately 1,000 to 1,500 units (1,500 units under Alternative 2, 1,100 units under Alternative 3, and 750 units under the Preferred Alternative), increase the amount of retail (between 1 and 6.4 million square feet of new retail uses), and reduce or maintain the amount of office (a reduction of 1.2 million square feet under Alternative 2 and an increase of 3.8 million under the Preferred Alternative). Due to the small amount of new housing proposed in the General Plan and the proposed changes to retail and office uses, the number of trips that would remain internal to the City was found to be minimal. Trips currently internal to the City (approximately 5 percent in the morning and 10 percent in the evening) would remain; however, the proposed land uses would not increase the amount of internalization within the City.

To account for the total amount of proposed retail uses under the General Plan alternatives, the ITE trip generation rate was based on the total square footage of retail uses in the central city area (primarily land uses between Wilshire Boulevard and Santa Monica Boulevard) instead of being applied on a site-specific basis. The ITE trip generation rates indicate that fewer trips are generated per square foot for large shopping areas due to the internalization between retail uses. For example, a person visiting a small shopping center may only visit one store for a short period of time whereas someone visiting a regional mall may shop at several stores, have lunch, go to a movie and stay for several hours. The total amount of office square footage in the central city area was also used to determine the trip generation of the office uses for each General Plan scenario.

Table 5 summarizes the trip generation for each General Plan scenario including the total number of vehicle trips generated citywide and the number of new trips generated by the proposed land uses. The trip generation for each alternative is described below.

- ***Alternative 1***: No new development would occur within the City of Beverly Hills under Alternative 1; therefore, no new trips would be generated. As discussed, the City of Beverly Hills currently generates approximately 30,200 a.m. peak hour and 45,400 p.m. peak hour trips according to ITE trip generation rates.
- ***Alternative 2***: This land use alternative would generate approximately 30 new a.m. peak hour and 4,100 new p.m. peak hour trips. The minimal increase in a.m. peak hour trips is due to the reduction of office uses (approximately 1.3 million square feet of office would be eliminated). The trips generated by the proposed retail uses (2.4 million square feet of retail) mostly occur in the afternoon. Under Alternative 2, the City would generate approximately 30,300 a.m. peak hour (same as existing conditions) and 49,500 p.m. peak hour trips (9 percent increase compared to existing conditions).
- ***Alternative 3***: This alternative would generate approximately 2,000 new a.m. peak hour and 9,600 new p.m. peak hour trips. Alternative 3 would eliminate less office than proposed under Alternative 2 (approximately 475,000 square feet of office compared to 1.3 million square feet under Alternative 2) and would therefore generate more a.m. peak hour trips. Under Alternative 3, the City would generate approximately 32,200 a.m. peak hour (6 percent increase) and 55,000 p.m. peak hour trips (21 percent increase).
- ***Preferred Alternative***: Under the Preferred Alternative, the proposed land uses would generate 3,600 new a.m. peak hour trips and 5,900 new p.m. peak hour trips. The increase in trips generated is a result of the additional 520 multi-family dwelling units, 920 thousand square feet of retail, and 3.8 million square feet of office proposed under this alternative compared to existing conditions. Under the Preferred Alternative, the City would generate approximately 33,800 a.m. peak hour (12 percent increase) and 51,300 p.m. peak hour trips (13 percent increase compared to existing conditions).

The trip generation of the EBD was based on the traffic study being conducted for the Specific Plan by the City. Based on the data provided, the EBD would generate approximately 1,950 a.m. peak hour trips (1,460 inbound and 490 outbound) and 2,500 p.m. peak hour trips (900 inbound and 1,600 outbound). These trips were added to the trip generation for Alternatives 2, and 3 and to the Preferred Alternative of the General Plan to reflect buildout of the proposed EBD.

Table 5
Trip Generation for Beverly Hills General Plan - Alternatives 1, 2, 3, & Preferred Alternative

Description	A.M. Inbound	A.M. Outbound	Total A.M.	P.M. Inbound	P.M. Outbound	Total P.M.
Total Existing (Alt. 1)	18,475	11,754	30,229	19,483	25,897	45,380
Net New Trips						
Total Alt. 1 Existing New	0	0	0	0	0	0
Total Alt. 2 New	-706	734	30	2,691	1,439	4,131
Total Alt. 3 New	965	990	1,955	4,951	4,660	9,611
Total Preferred Alternative	2,989	636	3,625	1,705	4,192	5,897
Total Citywide Trips						
Total Existing (Alt. 1)	18,475	11,754	30,229	19,483	25,897	45,380
Total Alt. 2	17,769	12,488	30,259	22,175	27,336	49,511
Total Alt. 3	19,440	12,743	32,183	24,434	30,556	54,991
Total Preferred Alternative	21,464	12,390	33,854	21,188	30,089	51,277

Notes:
General Plan trip generation based on *Trip Generation, 7th Edition*, Institute of Transportation Engineers, 2003.

Trip Distribution

The distribution of project trips to the City's roadway network and surrounding jurisdictions was based on a review of existing peak hour travel patterns and traffic forecasts from the SCAG model. Existing inbound and outbound traffic volumes at the City gateways were estimated based on available traffic counts for the morning and afternoon peak hours. The percent of traffic utilizing each gateway was calculated to determine current travel patterns for vehicles entering/exiting the City. Since the General Plan analysis was conducted for cumulative conditions, the 2030 SCAG model traffic forecasts were also reviewed to determine projected travel patterns in the City of Beverly Hills. The travel patterns based on existing counts and forecasted SCAG projections were found to produce consistent results.

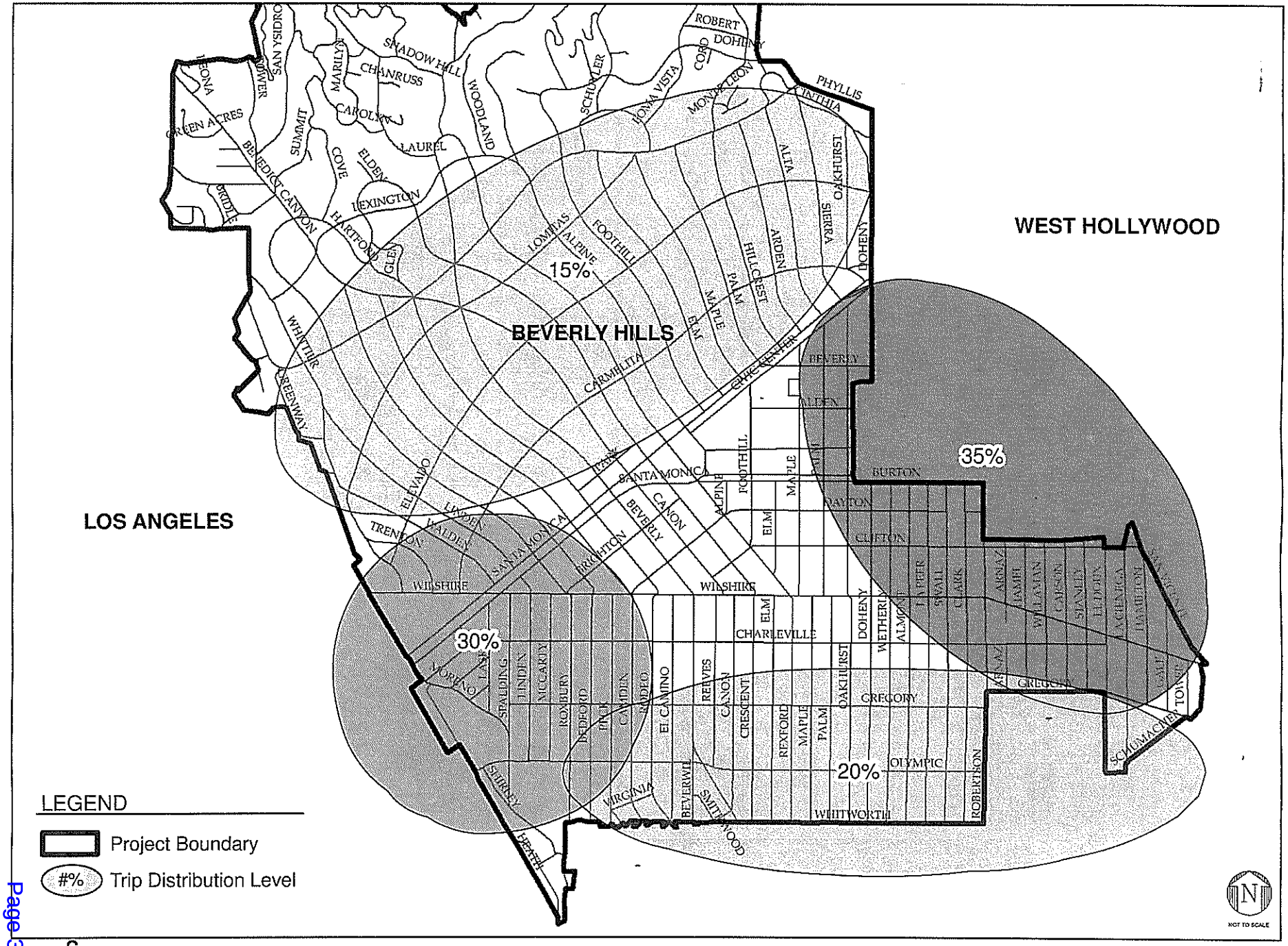
Figure 4 shows the distribution for vehicle-trips generated by the General Plan scenarios. New trips generated under each scenario were distributed as follows:

- ***North***: 15 percent of vehicle trips were distributed to/from the north on roadways north of Santa Monica Boulevard including Sunset Boulevard, Canon Drive, Beverly Drive, Coldwater Canyon Drive, and other roadways serving uses north of Santa Monica Boulevard.
- ***South***: 20 percent of vehicle trips were distributed to/from the south on roadways south of Olympic Boulevard, such as La Cienega Boulevard, Robertson Boulevard, Doheny Drive, Beverly Drive, and Beverwil Drive.
- ***East:*** 35 percent of vehicle trips were distributed to/from the east on roadways providing access to the Cities of West Hollywood and Los Angeles, such as Santa Monica Boulevard, Beverly Boulevard, 3rd Street, Burton Way, Wilshire Boulevard, and Olympic Boulevard.
- ***West:*** 30 percent of vehicle trips were distributed to/from the west on Santa Monica Boulevard, Wilshire Boulevard, and Olympic Boulevard.

Trip Assignment

The City's TRAFFIX model was used to assign new trips generated by each General Plan scenario to the surrounding roadway network based on the trip distribution discussed above. The TRAFFIX model was modified to contain each TAZ to accurately model traffic patterns based on the location of the proposed land uses. For the purpose of this study, the vehicle-trips generated by each TAZ were assumed to park within the TAZ. Since each TAZ is comprised of at least several City blocks, this was found to be a reasonable assumption.

The growth projections based on the SCAG model were applied to existing traffic volumes to reflect regional traffic growth under each General Plan scenario. In addition, the land uses and trip generation of the EBD were reflected in the TRAFFIX model for Alternatives 2 and 3 and the Preferred Alternative.



FEHR & PEERS
KAKU ASSOCIATES

TRIP DISTRIBUTION
FIGURE 4

Traffic Forecasts and Roadway Operations

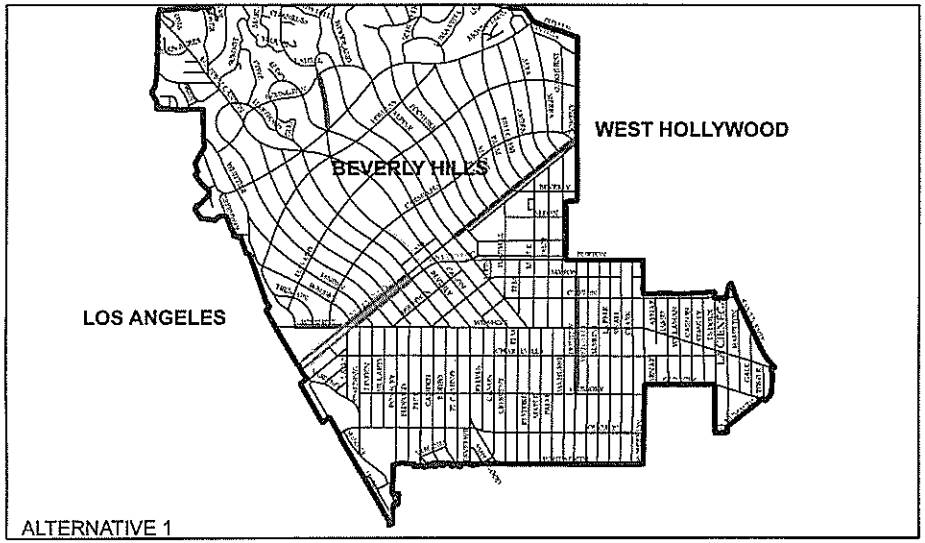
Peak hour traffic forecasts were developed for each of the 45 study roadway segments to reflect Year 2030 plus General Plan buildout conditions under each proposed land use scenario. The peak hour traffic forecasts were then compared to the roadway capacities for the facility type to determine the LOS under cumulative conditions. Table 6 summarizes the number of roadway segments operating at LOS E or F under the proposed General Plan scenarios. Figure 5 displays the roadway segments operating at LOS E or F under Alternatives 1, 2, 3, and the Preferred Alternative during one of the peak hour (primarily during the PM peak hour). Appendix D contains a detailed table showing the peak hour traffic forecasts and LOS results for each General Plan scenario and figures displaying the LOS results for each scenario during the a.m. and p.m. peak hours (Figures D1 through D8).

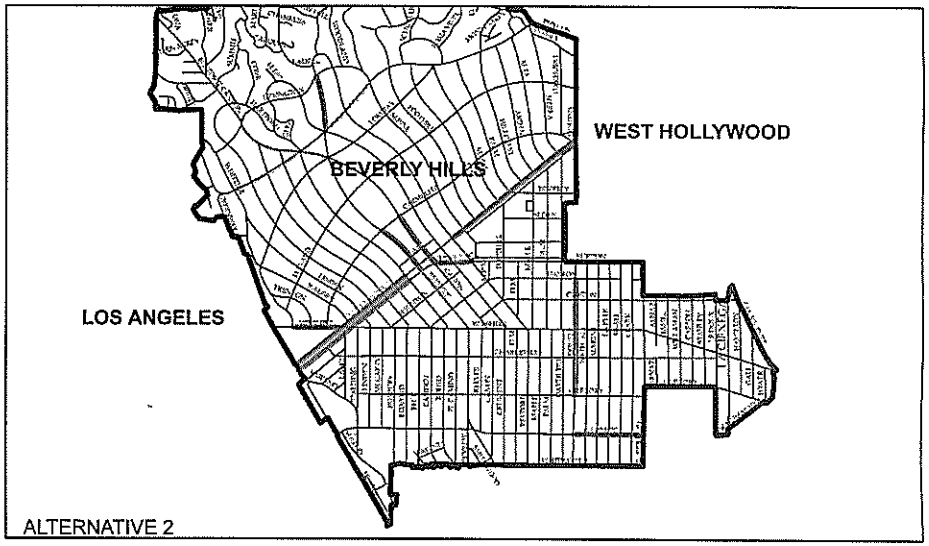
As shown in Table 6 and displayed in the LOS figure, City roadways would operate as follows under the proposed General Plan scenarios:

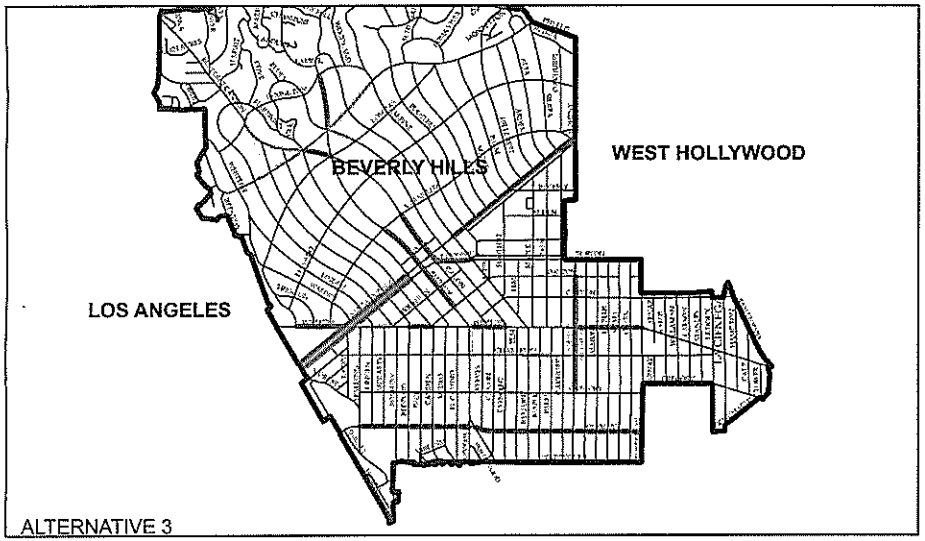
- ***Alternative 1***: With regional traffic growth (no new development would occur within the City of Beverly Hills under Alternative 1), 13 study roadway segments would operate at LOS E or F during the a.m. and p.m. peak hours.
- ***Alternative 2***: With the land use changes proposed under this alternative, 14 study roadway segments (one more than Alternative 1) would operate at LOS E or F during the a.m. peak hour and 20 study roadway segments would operate at LOS E or F during the p.m. peak hour (seven more than Alternative 1). The minimal change in operations during the a.m. peak hour is due to the reduction of office uses (approximately 1.3 million square feet of office would be eliminated), and the poor operation of additional segments during the p.m. peak hour is primarily due to the proposed retail uses (2.4 million square feet of retail).
- ***Alternative 3***: With the additional development proposed under Alternative 3, 16 study roadway segments would operate at LOS E or F during the a.m. peak hour (three more than Alternative 1) and 29 study roadway segments would operate at LOS E or F during the p.m. peak hour (16 more than under Alternative 1). Alternative 3 would eliminate less office than proposed under Alternative 2 (approximately 475,000 square feet of office compared to 1.3 million square feet under Alternative 2) and would provide an additional 4.5 million square feet of retail (2.1 million square feet more than under Alternative 2).
- ***Preferred Alternative***: Under the Preferred Alternative, 17 study roadway segments would operate unacceptably during the a.m. peak hour (four more than Alternative 1) and 25 study roadway segments would operate unacceptably during the p.m. peak hour (12 more than under Alternative 1). The Preferred Alternative would add approximately 922,000 square feet of retail use (less than Alternatives 2 and 3) and 3.8 million square feet of office use (Alternatives 2 and 3 would reduce the amount of office space in the City).

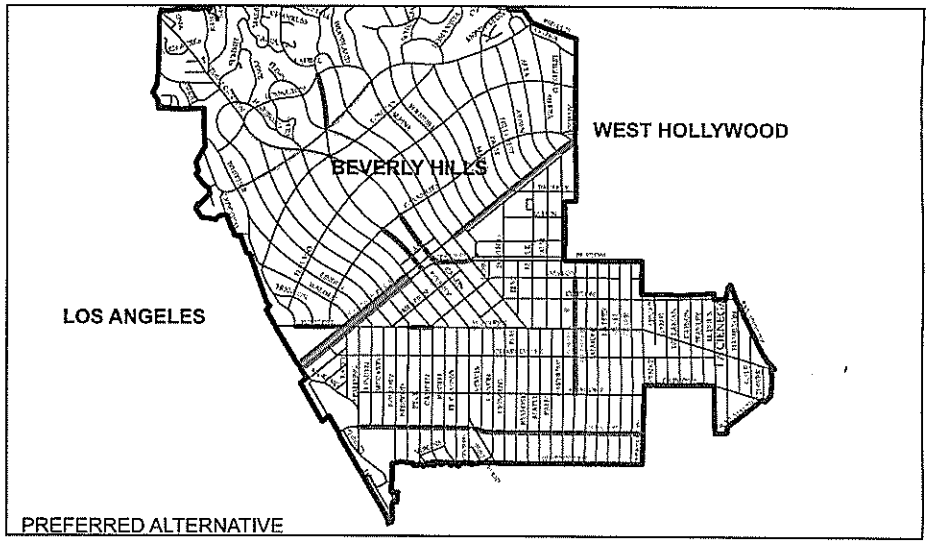
Table 6
Cumulative Peak Hour Roadway Operations for City of Beverly Hills General Plan

Roadway Segment Operations	Existing Conditions		Alternative 1		Alternative 2		Alternative 3		Preferred Alternative	
	A.M. Peak Hour	P.M. Peak Hour	A.M. Peak Hour	P.M. Peak Hour	A.M. Peak Hour	P.M. Peak Hour	A.M. Peak Hour	P.M. Peak Hour	A.M. Peak Hour	P.M. Peak Hour
Number of Segments at LOS E	5	2	6	5	5	6	6	7	3	8
Number of Segments at LOS F	3	6	7	8	9	14	10	22	14	17
Total Number of Segments at LOS E & F	8	8	13	13	14	20	16	29	17	25









FEHR & PEERS
KAKU ASSOCIATES

Project Boundary

Level of Service - PM Segment
E
F

PEAK HOUR ROADWAY OPERATIONS - PROPOSED GENERAL PLAN

FIGURE 5

Preferred Alternative with Transit Credit

The traffic operations results presented above for Alternatives 1, 2, 3 and the Preferred Alternative did not account for potential trip reductions due to additional transit services within the City of Beverly Hills. To determine the potential trip reductions due to future transit services, the Metro Purple Line was assumed in place under the Preferred Alternative and traffic operations were reanalyzed under General Plan buildout conditions. The Metro Purple Line would provide transit service along Wilshire Boulevard with stops at Beverly Drive and La Cienega Boulevard within the City of Beverly Hills.

A transit credit was applied to the Preferred Alternative land uses located in the vicinity of the potential future transit stops (approximately ½ mile radius of transit stops, TAZ's 4.1, 4.7, 7.5, 7.6, and 12.1[1]). A trip credit of 30 percent was applied to office uses and a credit of 50 percent was applied to retail uses located nearby the Metro Purple Line stops. The trip credit was applied to both the proposed Preferred Alternative land uses and the existing land uses. The trip reduction factors were developed from various sources including *Los Angeles Sports and Entertainment Districts Specific Plan* (October 2001), *City of Los Angeles, and Los Angeles Entertainment District EIR Traffic Study*, December 2000, *The Mobility Group with Kaku Associates*; and *NCHRP Travel Characteristics at Large-Scale Suburban Activity Centers*, TRB, October 1989.

Table 7 summarizes the trip credit for the AM and PM peak hours and resulting citywide trip generation with the implementation of the Preferred Alternative under General Plan buildout conditions. The Metro Purple Line is estimated to reduce the total vehicle-trip generation in the City by approximately 1,600 AM peak hour trips (5 percent reduction) and 3,600 PM peak hour trips (7.5 percent reduction).

The study roadway segments were reanalyzed with the transit reduction under the Preferred Alternative. Table 8 presents the AM and PM peak hour traffic forecasts and LOS results with and without the transit credit for the City of Beverly Hills General Plan Preferred Alternative. As shown, the future transit service along Wilshire Boulevard with transit stops at Beverly Drive and La Cienega Boulevard would improve operations from LOS E/F to LOS D or better at 2 segments during the AM peak hour and 8 segments during the PM peak hour. Figures 6 and 7 display the roadway operations during the AM and PM peak hours with the future transit service under General Plan buildout conditions, respectively.

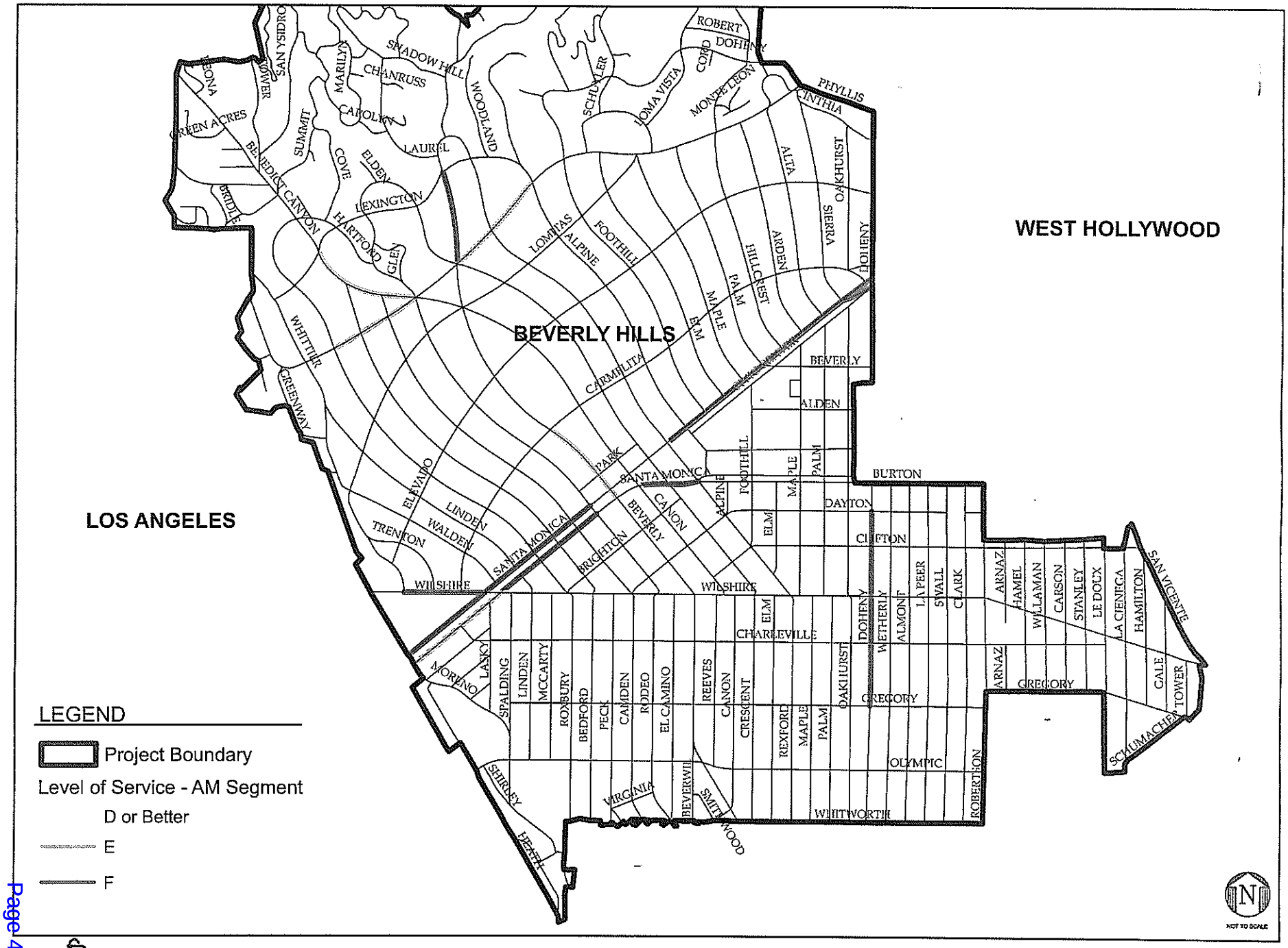
[1] Refer to Appendix A for the TAZ map of Beverly Hills.

Table 7
Trip Generation for City of Beverly Hills with Future Metro Transit Line

Description	A.M. Inbound	A.M. Outbound	Total A.M.	P.M. Inbound	P.M. Outbound	Total P.M.
Existing Trips	18,475	11,754	30,229	19,483	25,897	45,380
Preferred Alternative New Trips	2,989	636	3,625	1,705	4,192	5,897
Total Citywide Trips with Preferred Alt.	**21,464**	**12,390**	**33,854**	**21,188**	**30,089**	**51,277**
Transit Credit	-1,142	-484	-1,626	-1,561	-2,034	-3,595
Total Citywide Trips with Transit Credit	**20,322**	**11,906**	**32,228**	**19,628**	**28,055**	**47,682**
% Reduction	***-5.6%***	***-4.1%***	***-5.0%***	***-8.0%***	***-7.3%***	***-7.5%***

Table 8
Roadway LOS Results for Preferred Alternative With and Without Future Transit

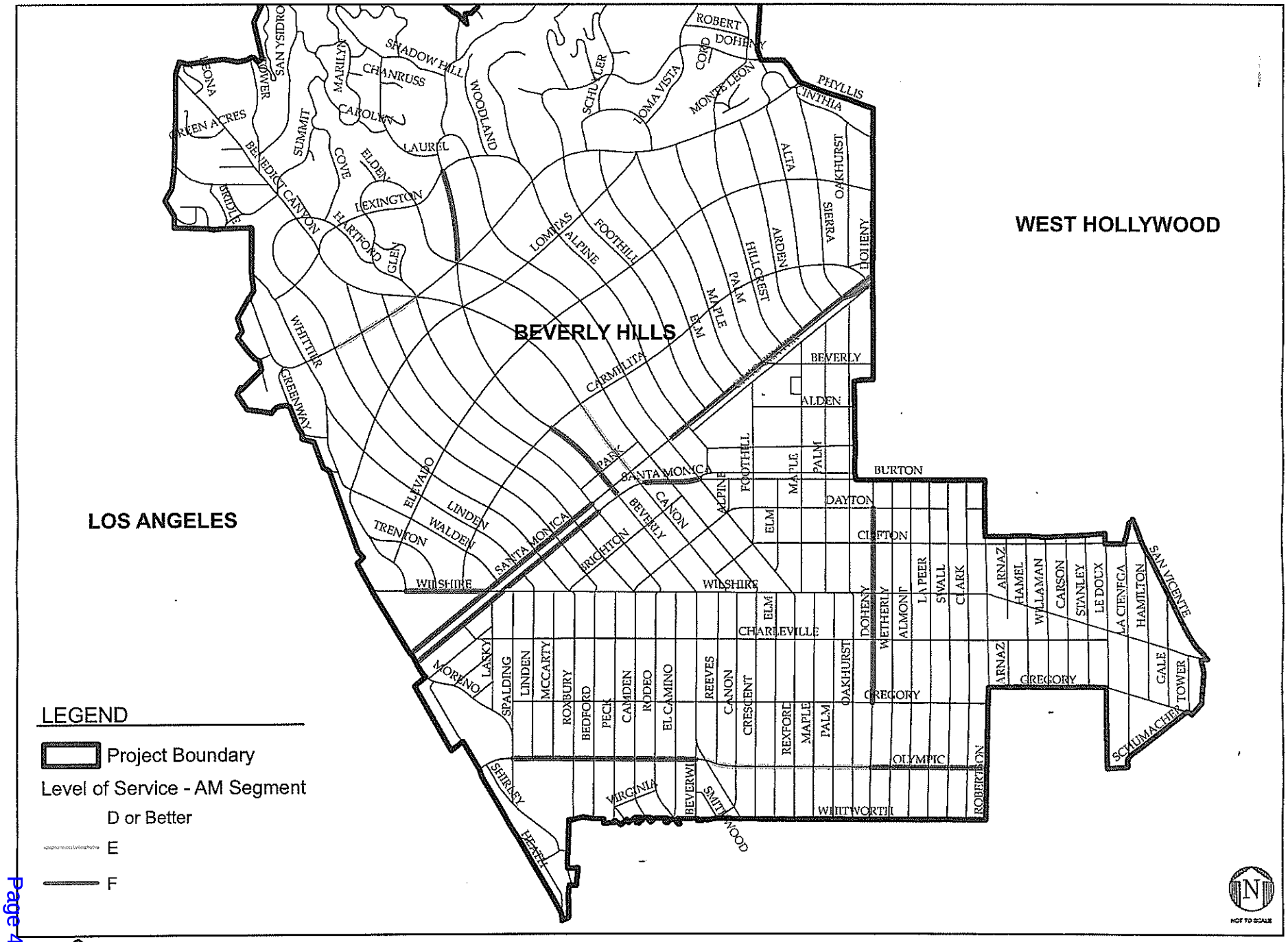
Seg	FULL_NAME	Seg_FROM	Seg_TO	Lanes/ Facility Type	Preferred Alternative				Preferred Alternative with Transit Credit			
					Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS	Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS
1	SUNSET BL	ROXBURY DR	CANON DR	4ADIV	3,632	3,492	F	E	3,563	3,370	E	E
2	SUNSET BL	CRESCENT DR	ALPINE DR	4ADIV	3,619	3,443	F	E	3,550	3,322	E	D
3	CANON DR	SUNSET BL	LEXINGTON RD	2A	1,320	1,306	E	E	1,265	1,209	E	C
4	BEVERLY DR	SUNSET BL	LEXINGTON RD	2A	1,614	1,818	F	F	1,559	1,721	F	F
5	CANON DR	LOMITAS AV	SUNSET DR	2A	1,265	1,353	E	E	1,182	1,207	C	C
6	BEVERLY DR	LOMITAS AV	SUNSET DR	4C	1,501	1,674	D	D	1,419	1,528	D	D
7	N CRESCENT DR	LOMITAS AV	SUNSET DR	2C	580	928	D	E	539	855	D	D
8	RODEO DR	N SANTA MONICA BL	CARMELITA AV	2C	551	757	D	D	509	684	D	D
9	BEVERLY DR	N SANTA MONICA BL	CARMELITA AV	2A	1,463	1,575	F	F	1,381	1,430	E	F
10	CANON DR	N SANTA MONICA BL	CARMELITA AV	2C	850	1,084	D	F	768	938	D	E
11	REXFORD DR	N SANTA MONICA BL	CARMELITA AV	2C	657	764	D	D	630	716	D	D
12	PALM DRIVE	N SANTA MONICA BL	CARMELITA AV	2C	487	457	D	D	473	432	D	D
13	N SANTA MONICA BL[1]	CENTURY PARK	WILSHIRE BL	4A	3,101	2,919	F	F	2,908	2,579	F	F
14	N SANTA MONICA BL[1]	WILSHIRE BL	RODEO DR	4A	4,581	5,318	F	F	4,161	4,625	F	F
15	N SANTA MONICA BL	REXFORD DR	PALM DR	4A	3,605	3,639	F	F	3,346	3,185	F	F
16	N SANTA MONICA BL1	PALM DR	DOHENY DR	4A	2,675	3,334	F	F	2,576	3,119	F	F
17	S SANTA MONICA BL	CENTURY PARK	WILSHIRE BL	4A	2,875	3,624	F	F	2,737	3,381	E	F
18	S SANTA MONICA BL	WILSHIRE BL	RODEO DR	4A	4,098	4,031	F	F	3,574	3,188	F	F
19	S SANTA MONICA BL	CANON DR	REXFORD DR	4A	3,445	3,566	F	F	3,377	3,378	F	F
20	3RD ST	FOOTHILL RD	MAPLE DR	2C	679	594	D	D	679	594	D	D
21	BURTON WAY	MAPLE DR	DOHENY DR	4ADIV	2,010	2,655	C	C	1,982	2,580	C	C
22	WILSHIRE BL[1]	MERV GRIFFIN WAY	N SANTA MONICA BL	6A	5,325	5,511	F	F	5,050	5,026	F	F
23	WILSHIRE BL[1]	S SANTA MONICA BL	ROXBURY DR	6A	4,098	4,031	D	D	3,574	3,188	C	C
24	WILSHIRE BL	BEDFORD DR	CAMDEN DR	6A	4,718	5,515	D	F	4,142	4,589	C	D
25	WILSHIRE BL	BEVERLY DR	CRESCENT DR	6A	4,741	5,013	D	E	3,884	3,641	C	C
26	WILSHIRE BL	DOHENY DR	ROBERTSON BL	6A	4,226	4,811	C	E	3,365	3,410	C	C
27	WILSHIRE BL	ROBERTSON BL	LA CIENEGA BL	6A	3,766	4,097	C	C	3,137	3,112	C	C
28	OLYMPIC BL	SPALDING DR	BEVERWIL DR	6A	4,891	5,558	E	F	4,652	5,142	D	F
29	OLYMPIC BL	BEVERLY DR	DOHENY DR	6A	4,376	5,250	C	F	4,132	4,841	C	E
30	OLYMPIC BL	DOHENY DR	ROBERTSON BL	6A	3,300	5,874	C	F	2,920	5,265	C	F
31	BEVERLY DR	BRIGHTON WAY	S SANTA MONICA BL	4A	1,982	2,690	C	E	1,552	1,660	C	C
32	CANON DR	BRIGHTON WAY	S SANTA MONICA BL	4C	570	985	C	D	489	862	C	C
33	BRIGHTON WAY	BEVERLY DR	CANON DR	2CO	379	491	C	C	338	418	C	C
34	BEVERLY DR	DAYTON WAY	BRIGHTON WAY	4A	1,853	2,550	C	C	1,440	1,560	C	C
35	DAYTON WAY	BEVERLY DR	CANON DR	2CO	277	683	C	C	264	600	C	C
36	BEVERLY DR	CHARLEVILLE BL	WILSHIRE BL	4A	1,852	2,386	C	C	1,724	2,031	C	C
37	BEVERWIL DR	RODEO DR	OLYMPIC BL	4C	942	1,493	D	D	856	1,341	C	D
38	BEVERLY DR	WHITWORTH DR	OLYMPIC BL	4A	1,200	1,773	C	C	1,200	1,773	C	C
39	DOHENY DR	WILSHIRE BL	DAYTON WAY	2A	1,629	2,077	F	F	1,494	1,891	F	F
40	DOHENY DR	GREGORY BL	WILSHIRE BL	2A	1,589	2,218	F	F	1,561	2,160	F	F
41	ROBERTSON BL	WILSHIRE BL	CLIFTON WAY	4A	1,747	2,092	C	C	1,645	1,911	C	C
42	ROBERTSON BL	GREGORY BL	WILSHIRE BL	4A	1,900	2,246	C	C	1,723	1,955	C	C
43	LA CIENEGA BL	WILSHIRE BL	CLIFTON WAY	6A	2,643	3,259	C	C	2,496	3,031	C	C
44	LA CIENEGA BL	GREGORY BL	WILSHIRE BL	6A	2,996	3,399	C	C	2,835	3,145	C	C
45	CHARLEVILLE BL	REXFORD DR	PALM DR	2C	635	804	D	D	635	804	D	D
			Number of Segments at LOS E		Preferred Alt. =		3	8	Preferred Alt. w/ Transit Credit=		5	3
			Number of Segments at LOS F				14	17			10	14
			Number of Segments at LOS E & F				17	25			15	17



FEHR & PEERS
KAKU ASSOCIATES

PREFERRED ALTERNATIVE WITH TRANSIT - AM PERIOD

FIGURE 6



FEHR & PEERS
KAKU ASSOCIATES

PREFERRED ALTERNATIVE WITH TRANSIT - PM PERIOD

FIGURE 7

CBH - City Council Informal Meeting 01/29/2008

FEHR & PEERS
KAKU ASSOCIATES

TECHNICAL APPENDIX

FOR

TRAFFIC ANALYSIS FOR CITY OF BEVERLY HILLS GENERAL PLAN TECHNICAL MEMORANDUM

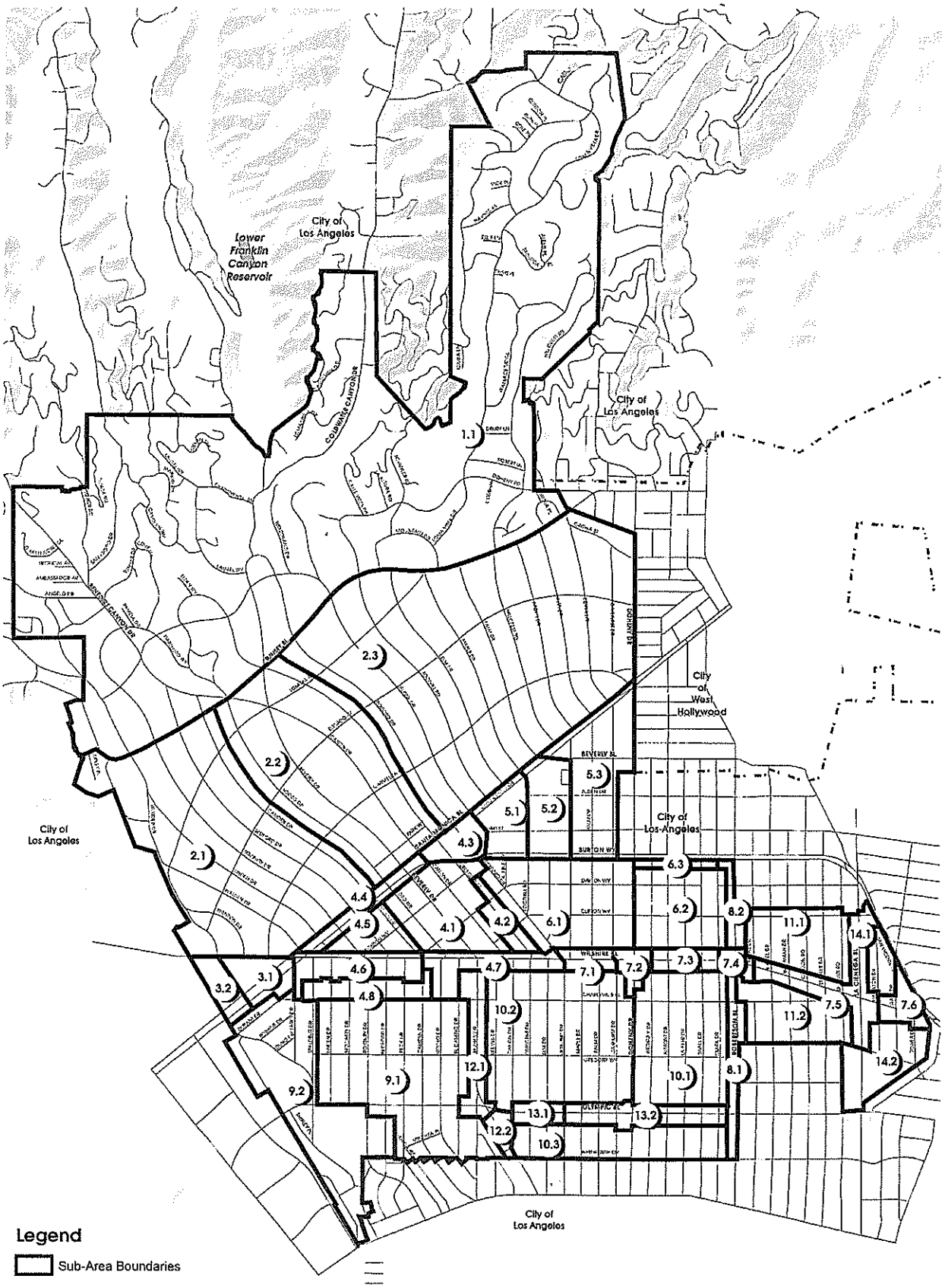
JANUARY 7, 2008

APPENDIX A

TAZ MAP & CITY OF BEVERLY HILLS EXISTING & PROPOSED LAND USES

CITY of BEVERLY HILLS
General Plan

TRAFFIC ANALYSIS ZONES



Source: SCAG & EIP Associates, A Divison of PBS&J, December 2006
N:\GISProjects\Beverly_Hills_GPU_10600\taz.mxd

EIP
A Division of PBSJ

0 900 1,800 3,600 Feet

Land Use Assumptions for City of Beverly Hills General Plan, Alternatives 1-3

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel Facilities (sq. ft.)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
1.1	North Beverly Hills	1104.2	Alt. 1 -Existing	1,511			481,683								7,008		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	1,511	0	0	481,683	0	0	0	0	0	0	0	7,008	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	1,511	0	0	481,683	0	0	0	0	0	0	0	7,008	0	0
2.1	North Beverly Hills (Santa Monica-Sunset Blvds.)	205.37	Alt. 1 -Existing	522									765		61,526		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	522	0	0	0	0	0	0	0	0	765	0	61,526	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	522	0	0	0	0	0	0	0	0	765	0	61,526	0	0
2.2	North Beverly Hills (Santa Monica-Sunset Blvds.)	142.49	Alt. 1 -Existing	310											33,284		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	310	0	0	0	0	0	0	0	0	0	0	33,284	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	310	0	0	0	0	0	0	0	0	0	0	33,284	0	0
2.3	North Beverly Hills (Santa Monica-Sunset Blvds.)	361.12	Alt. 1 -Existing	945	20								775				
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	945	20	0	0	0	0	0	0	0	775	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	945	20	0	0	0	0	0	0	0	775	0	0	0	0
3.1	Hilton Hotel	15.64	Alt. 1 -Existing				543,537	569	222,107		5,043						
			Alt. 2 - Demo				204,349	217									
			Alt. 2 - Prop		170		970,620	170	225,000								
			Alt. 2 - Totals	0	170	0	1,309,808	522	447,107	0	5,043	0	0	0	0	0	0
			Alt. 3 - Demo				138,636										
			Alt. 3 - Prop				83,846	131	276,067		103,133						
			Alt. 3 - Totals	0	0	0	488,747	700	498,174	0	108,176	0	0	0	0	0	0
3.2	Robinson's Site	9.72	Alt. 1 -Existing						260,594		138,072				20,135		
			Alt. 2 - Demo						228,000								
			Alt. 2 - Prop		252				19,856								
			Alt. 2 - Totals	0	252	0	0	0	52,450	0	138,072	0	0	0	20,135	0	0
			Alt. 3 - Demo						228,000								
			Alt. 3 - Prop						270,000		420,000						
			Alt. 3 - Totals	0	0	0	0	0	302,594	0	558,072	0	0	0	20,135	0	0
4.1	Triangle Core	33.86	Alt. 1 -Existing				60,552		941,736		928,546			64,386	26,831		
			Alt. 2 - Demo						941,736		928,546			64,386	26,831		
			Alt. 2 - Prop						2,475,417					19,316			
			Alt. 2 - Totals	0	0	0	60,552	0	2,475,417	0	0	0	0	19,316	0	0	0
			Alt. 3 - Demo						941,736		928,546			64,386	26,831		
			Alt. 3 - Prop						3,536,310	10,000							20,000
			Alt. 3 - Totals	0	0	0	60,552	0	3,536,310	10,000	0	0	0	0	0	0	20,000
4.2	Business Triangle/Civic Center	8.18	Alt. 1 -Existing		667	150			23,384								
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	667	150	0	0	23,384	0	0	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	667	150	0	0	23,384	0	0	0	0	0	0	0	0
4.3	Business Triangle/Civic Center	11.13	Alt. 1 -Existing												389,905		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	0	0	0	0	0	0	0	0	389,905	0	0
			Alt. 3 - Demo														

Land Use Assumptions for City of Beverly Hills General Plan, Alternatives 1-3

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel Facilities (sq. ft.)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	0	0	0	0	0	0	0	0	0	0	389,905	0	0
4.4	Little Santa Monica Bl. North side	4.62	Alt. 1 -Existing						65,856		41,574						
			Alt. 2 - Demo						65,856		41,574						
			Alt. 2 - Prop		84				68,325								
			Alt. 2 - Totals	0	84	0	0	0	68,325	0	0	0	0	0	0	0	0
			Alt. 3 - Demo						65,856		41,574						
			Alt. 3 - Prop		84				68,325								
			Alt. 3 - Totals	0	84	0	0	0	68,325	0	0	0	0	0	0	0	0
4.5	Western Triangle	14.44	Alt. 1 -Existing						255,443		1,262,592			501,825			
			Alt. 2 - Demo														
			Alt. 2 - Prop						68,750								7,000
			Alt. 2 - Totals	0	0	0	0	0	324,193	0	1,262,592	0	0	501,825	0	0	7,000
			Alt. 3 - Demo														
			Alt. 3 - Prop											150,548			
			Alt. 3 - Totals	0	0	0	0	0	255,443	0	1,262,592	0	0	652,373	0	0	0
4.6	Wilshire btwn. SM. Blvd - Camden	19.05	Alt. 1 -Existing				32,872		667,580		1,010,708			89,838			
			Alt. 2 - Demo						667,580					89,838			
			Alt. 2 - Prop		25				750,075								
			Alt. 2 - Totals	0	25	0	32,872	0	750,075	0	1,010,708	0	0	0	0	0	0
			Alt. 3 - Demo						667,580					89,838			
			Alt. 3 - Prop						1,250,125								
			Alt. 3 - Totals	0	0	0	32,872	0	1,250,125	0	1,010,708	0	0	0	0	0	0
4.7	Wilshire btwn. Camden Rexford	18.29	Alt. 1 -Existing		19		591,030		231,015		2,863,351						
			Alt. 2 - Demo						231,015								
			Alt. 2 - Prop						299,100								
			Alt. 2 - Totals	0	19	0	591,030	0	299,100	0	2,863,351	0	0	0	0	0	0
			Alt. 3 - Demo						231,015								
			Alt. 3 - Prop						498,500								
			Alt. 3 - Totals	0	19	0	591,030	0	498,500	0	2,863,351	0	0	0	0	0	0
4.8	Business Triangle/Civic Center	14.45	Alt. 1 -Existing		600										23,784		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	600	0	0	0	0	0	0	0	0	0	23,784	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	600	0	0	0	0	0	0	0	0	0	23,784	0	0
5.1	Civic Center - Foothill	19.74	Alt. 1 -Existing		24				47,755		229,331	46,940		5,800	86,642		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	24	0	0	0	47,755	0	229,331	46,940	0	5,800	86,642	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	24	0	0	0	47,755	0	229,331	46,940	0	5,800	86,642	0	0
5.2	Foothill - Beverly Blvd	23.49	Alt. 1 -Existing		65		96,000		88,311		655,069	54,546			25,940		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	65	0	96,000	0	88,311	0	655,069	54,546	0	0	25,940	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop		33												
			Alt. 3 - Totals	0	98	0	96,000	0	88,311	0	655,069	54,546	0	0	25,940	0	0
5.3	Beverly Blvd - N. Doheny Dr.	41.14	Alt. 1 -Existing	6	1,770		13,000				3,000				7,545		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	6	1,770	0	13,000	0	0	0	3,000	0	0	0	7,545	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	6	1,770	0	13,000	0	0	0	3,000	0	0	0	7,545	0	0
5.4	Central Residential	63.51	Alt. 1 -Existing	345													
			Alt. 2 - Demo														
			Alt. 2 - Prop														

CBH - City Council Informal Meeting 01/29/2008

Land Use Assumptions for City of Beverly Hills General Plan, Alternatives 1-3

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel Facilities (sq. ft.)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
			Alt. 2 - Totals	345	0	0	0	0	0	0	0	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	345	0	0	0	0	0	0	0	0	0	0	0	0	0
6.2	Central Residential	39.46	Alt. 1 -Existing	76	1,179						3,250		175		25,720		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	76	1,179	0	0	0	0	0	3,250	0	175	0	25,720	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	76	1,179	0	0	0	0	0	3,250	0	175	0	25,720	0	0
6.3	Burton Way, Doheny to Almont	3.72	Alt. 1 -Existing	2	55				22,607		24,470			6,000	41,812		
			Alt. 2 - Demo	2	55				22,607		24,470			6,000	41,812		
			Alt. 2 - Prop		159				146,000								
			Alt. 2 - Totals	0	159	0	0	0	146,000	0	0	0	0	0	0	0	0
			Alt. 3 - Demo	2	55				22,607		24,470			6,000	41,812		
			Alt. 3 - Prop		159				146,000								
			Alt. 3 - Totals	0	159	0	0	0	146,000	0	0	0	0	0	0	0	0
7.1	Wilshire/La Cienega Blvds.	5.4	Alt. 1 -Existing						43,801		268,251						
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	0	0	43,801	0	268,251	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	0	0	0	0	43,801	0	268,251	0	0	0	0	0	0
7.2	Wilshire/La Cienega Blvds.	5.53	Alt. 1 -Existing						42,737	20,524	740,298			81,390			
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	0	0	42,737	20,524	740,298	0	0	81,390	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	0	0	0	0	42,737	20,524	740,298	0	0	81,390	0	0	0
7.3	Wilshire/La Cienega Blvds.	6.95	Alt. 1 -Existing						134,446	18,164	314,180			145,169			
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	0	0	134,446	18,164	314,180	0	0	145,169	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	0	0	0	0	134,446	18,164	314,180	0	0	145,169	0	0	0
7.4	Wilshire/La Cienega Blvds.	3.84	Alt. 1 -Existing						54,114		117,135			56,041			
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	0	0	54,114	0	117,135	0	0	56,041	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	0	0	0	0	54,114	0	117,135	0	0	56,041	0	0	0
7.5	La Cienega - Wilshire	22.2	Alt. 1 -Existing		37				226,470		1,125,513	6,948		202,183	780		
			Alt. 2 - Demo		37						301,999						
			Alt. 2 - Prop		76				30,000		117,612						
			Alt. 2 - Totals	0	76	0	0	0	256,470	0	941,126	6,948	0	202,183	780	0	0
			Alt. 3 - Demo		37				301,999								
			Alt. 3 - Prop		76				331,999								
			Alt. 3 - Totals	0	76	0	0	0	256,470	0	1,125,513	6,948	0	202,183	780	0	0
7.6	Wilshire south side between Tower Dr and San Vicente	7.65	Alt. 1 -Existing						74,164	10,848	523,334			9,930			
			Alt. 2 - Demo						21,100								
			Alt. 2 - Prop								117,612						
			Alt. 2 - Totals	0	0	0	0	0	53,064	10,848	640,946	0	0	9,930	0	0	0
			Alt. 3 - Demo								32,555						
			Alt. 3 - Prop								127,902						
			Alt. 3 - Totals	0	0	0	0	0	74,164	10,848	618,681	0	0	9,930	0	0	0
7.1	S. Robertson Blvd.	10.18	Alt. 1 -Existing						184,789		47,158		200	14,449	23,311		

CBH - City Council Informal Meeting 01/29/2008

Land Use Assumptions for City of Beverly Hills General Plan, Alternatives 1-3

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel Facilities (sq. ft.)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	0	0	184,789	0	47,158	0	200	14,449	23,311	0	0
			Alt. 3 - Demo						184,789								
			Alt. 3 - Prop		180				186,300								
			Alt. 3 - Totals	0	180	0	0	0	186,300	0	47,158	0	200	14,449	23,311	0	0
8.2	N. Robertson Blvd.	5.9	Alt. 1 -Existing						79,934		82,417	3,500		6,506			
			Alt. 2 - Demo														
			Alt. 2 - Prop		20				18,000								
			Alt. 2 - Totals	0	20	0	0	0	97,934	0	82,417	3,500	0	6,506	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop		40				18,000								
			Alt. 3 - Totals	0	40	0	0	0	97,934	0	82,417	3,500	0	6,506	0	0	0
9.1	Southwest Residential	109.34	Alt. 1 -Existing	589	440				4,200				200				
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	589	440	0	0	0	4,200	0	0	0	200	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	589	440	0	0	0	4,200	0	0	0	200	0	0	0	0
9.2	Roxbury Park	96.53	Alt. 1 -Existing	92	1,259						6,753			16,688			
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	92	1,259	0	0	0	0	0	6,753	0	0	16,688	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	92	1,259	0	0	0	0	0	6,753	0	0	16,688	0	0	0
	Southeast Residential	67.64	Alt. 1 -Existing	451	211							2,898			12,100		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	451	211	0	0	0	0	0	0	2,898	0	0	12,100	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	451	211	0	0	0	0	0	0	2,898	0	0	12,100	0	0
10.2	Southeast Residential	94.04	Alt. 1 -Existing	315	1,858		13,219		3,150				719	1,100	55,748		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	315	1,858	0	13,219	0	3,150	0	0	0	719	1,100	55,748	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	315	1,858	0	13,219	0	3,150	0	0	0	719	1,100	55,748	0	0
10.3	Southeast Residential	41.3	Alt. 1 -Existing	198	634		6,600				6,920						
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	198	634	0	6,600	0	0	0	6,920	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	198	634	0	6,600	0	0	0	6,920	0	0	0	0	0	0
11.1	East Residential	37.12	Alt. 1 -Existing	222	121								713				
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	222	121	0	0	0	0	0	0	0	713	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	222	121	0	0	0	0	0	0	0	713	0	0	0	0
11.2	East Residential	32.89	Alt. 1 -Existing	170	119												
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	170	119	0	0	0	0	0	0	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														

CBH - City Council Informal Meeting 01/29/2008

Land Use Assumptions for City of Beverly Hills General Plan, Alternatives 1-3

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel Facilities (sq. ft.)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
			Alt. 3 - Totals	170	119	0	0	0	0	0	0	0	0	0	0	0	0
12.1	S. Beverly Drive	14.99	Alt. 1 -Existing						208,182		617,635	5,250		14,939	5,632		
			Alt. 2 - Demo						208,182		131,178						
			Alt. 2 - Prop		320				381,360								
			Alt. 2 - Totals	0	320	0	0	0	381,360	0	486,457	5,250	0	14,939	5,632	0	0
			Alt. 3 - Demo						208,182		18,000						
			Alt. 3 - Prop			600			351,360								
			Alt. 3 - Totals	0	0	600	0	0	351,360	0	599,635	5,250	0	14,939	5,632	0	0
12.2	S. Beverly Drive	3.35	Alt. 1 -Existing				39,940		5,592		125,506			16,320	19,904		
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	0	0	39,940	0	5,592	0	125,506	0	0	16,320	19,904	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	0	0	39,940	0	5,592	0	125,506	0	0	16,320	19,904	0	0
13.1	Olympic Blvd.	4.26	Alt. 1 -Existing		129												
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	129	0	0	0	0	0	0	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	129	0	0	0	0	0	0	0	0	0	0	0	0
13.2	Olympic Blvd.	13.78	Alt. 1 -Existing		4				146,526		79,388		600	27,094	92,423		
			Alt. 2 - Demo		4				146,526		79,388			27,094	92,423		
			Alt. 2 - Prop		494				445,200								
			Alt. 2 - Totals	0	494	0	0	0	445,200	0	0	0	600	0	0	0	0
			Alt. 3 - Demo		4				146,526		79,388			27,094	92,423		
			Alt. 3 - Prop						612,150								
			Alt. 3 - Totals	0	0	0	0	0	612,150	0	0	0	600	0	0	0	0
14.1	La Cienega Park & MFR	8.95	Alt. 1 -Existing		363						2,850			10,122			
			Alt. 2 - Demo														
			Alt. 2 - Prop														
			Alt. 2 - Totals	0	363	0	0	0	0	0	2,850	0	0	10,122	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop														
			Alt. 3 - Totals	0	363	0	0	0	0	0	2,850	0	0	10,122	0	0	0
14.2	La Cienegas Park & MFR	29.62	Alt. 1 -Existing		426												
			Alt. 2 - Demo														
			Alt. 2 - Prop		27												
			Alt. 2 - Totals	0	453	0	0	0	0	0	0	0	0	0	0	0	0
			Alt. 3 - Demo														
			Alt. 3 - Prop		27												
			Alt. 3 - Totals	0	453	0	0	0	0	0	0	0	0	0	0	0	0
	Total Existing - Alt. 1			**5,754**	**10,000**	**150**	**1,878,433**	**569**	**4,034,493**	**49,536**	**11,222,344**	**120,082**	**4,147**	**1,269,780**	**960,030**	**0**	**0**
	Total Proposed																
	Total Alt. 2 Proposed			0	1,627	0	970,620	170	4,927,083	0	235,224	0	0	19,316	0	0	7,000
	Total Alt. 3 Proposed			0	599	600	83,846	131	7,545,136	10,000	651,035	0	0	150,548	0	0	20,000
	Total Demoed																
	Total Alt. 2 Demoed			*2*	*96*	*0*	*204,349*	*217*	*2,532,602*	*0*	*1,507,155*	*0*	*0*	*187,318*	*161,066*	*0*	*0*
	Total Alt. 3 Demoed			*2*	*96*	*0*	*138,636*	*0*	*2,998,290*	*0*	*1,124,533*	*0*	*0*	*187,318*	*161,066*	*0*	*0*
	Net New																
	Total Alt. 1 Existing New			0	0	0	0	0	0	0	0	0					
	Total Alt. 2 New			-2	1,531	0	766,271	-47	2,394,481	0	-1,271,931	0	0	-168,002	-161,066	0	7,000
	Total Alt. 3 New			-2	503	600	-54,790	131	4,546,846	10,000	-473,498	0	0	-36,770	-161,066	0	20,000
	Total																
	Total Alt. 1 Existing			**5,754**	**10,000**	**150**	**1,878,433**	**569**	**4,034,493**	**49,536**	**11,222,344**	**120,082**	**4,147**	**1,269,780**	**960,030**	**0**	**0**
	Total Alt. 2			**5,752**	**11,531**	**150**	**2,644,704**	**522**	**6,428,974**	**49,536**	**9,950,413**	**120,082**	**4,147**	**1,101,778**	**798,964**	**0**	**7,000**
	Total Alt. 3			**5,752**	**10,503**	**750**	**1,823,643**	**700**	**8,581,339**	**59,536**	**10,748,846**	**120,082**	**4,147**	**1,233,010**	**798,964**	**0**	**20,000**

Preferred Alternative Land Use Assumptions for City of Beverly Hills General Plan

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
1.1	North Beverly Hills	1104.2	Alt. 1 -Existing	1,511										7,008		
			Pref. Alt - Totals	1,511	0	0	0	0	0	0	0	0	0	7,008	0	0
2.1	North Beverly Hills	205.37	Alt. 1 -Existing	522								765		61,526		
			Pref. Alt - Totals	522	0	0	0	0	0	0	0	765	0	61,526	0	0
2.2	North Beverly Hills	142.49	Alt. 1 -Existing	310										33,284		
			Pref. Alt - Totals	310	0	0	0	0	0	0	0	0	0	33,284	0	0
2.3	North Beverly Hills	361.12	Alt. 1 -Existing	945	20							775				
			Pref. Alt - Totals	945	20	0	0	0	0	0	0	775	0	0	0	0
3.1	Hilton Hotel	15.64	Alt. 1 -Existing				569	222,107		5,043						
			Pref. Alt - Totals	0	0	0	700	498,174	0	108,176	0	0	0	0	0	0
3.2	Robinson's Site	9.72	Alt. 1 -Existing					260,594		138,072				20,135		
			Pref. Alt - Totals	0	0	0	0	302,594	0	558,072	0	0	0	20,135	0	0
4.1	Triangle Core	33.86	Alt. 1 -Existing					941,736		928,546			64,386	26,831		
			Alt 4- Totals					1,132,061	10,000	1,422,504						20,000
4.2	Business Triangle/Civic Center	8.18	Alt. 1 -Existing		667	150		23,384								
			Pref. Alt - Totals	0	667	150	0	23,384	0	0	0	0	0	0	0	0
4.3	Business Triangle/Civic Center	11.13	Alt. 1 -Existing											389,905		
			Pref. Alt - Totals	0	0	0	0	0	0	0	0	0	0	389,905	0	0
4.4	Little Santa Monica Bl. North side	4.62	Alt. 1 -Existing					65,856		41,574						
			Pref. Alt - Totals	0	84	0	0	68,325	0	0	0	0	0	0	0	0
4.5	Western Triangle	14.44	Alt. 1 -Existing					255,443		1,262,592			501,825			
			Pref. Alt - Totals	0	0	0	0	255,443	0	1,262,592	0	0	652,373	0	0	0
4.6	Wilshire btwn. SM. Blvd - Camden	19.05	Alt. 1 -Existing					667,580		1,010,708			89,838			
			Pref. Alt - Total				250	917,580		1,510,708						
4.7	Wilshire btwn. Camden Rexford	18.29	Alt. 1 -Existing		19			231,015		2,863,351						
			Pref. Alt - Total		19	0	0	251,002		3,174,538	0	0	0	0	0	0
4.8	Business Triangle/Civic Center	14.45	Alt. 1 -Existing		600									23,784		
			Pref. Alt - Totals	0	600	0	0	0	0	0	0	0	0	23,784	0	0
5.1	Civic Center - Foothill	19.74	Alt. 1 -Existing		24			47,755		229,331	46,940		5,800	86,642		
			Pref. Alt - Totals	0	24	0	0	47,755	0	229,331	46,940	0	5,800	86,642	0	0
5.2	Foothill - Beverly Blvd	23.49	Alt. 1 -Existing		65			88,311		655,069	54,546			25,940		
			Pref. Alt - Totals	0	98	0	0	88,311	0	655,069	54,546	0	0	25,940	0	0
5.3	Beverly Blvd - N. Doheny Dr.	41.14	Alt. 1 -Existing	6	1,770					3,000				7,545		
			Pref. Alt - Totals	6	1,770	0	0	0	0	3,000	0	0	0	7,545	0	0
6.1	Central Residential	63.51	Alt. 1 -Existing	345												
			Pref. Alt - Totals	345	0	0	0	0	0	0	0	0	0	0	0	0
6.2	Central Residential	39.46	Alt. 1 -Existing	76	1,179					3,250		175		25,720		
			Pref. Alt - Totals	76	1,179	0	0	0	0	3,250	0	175	0	25,720	0	0
6.3	Burton Way, Doheny to Almont	3.72	Alt. 1 -Existing	2	55			22,607		24,470			6,000	41,812		
			Pref. Alt - Totals	0	159	0	0	146,000	0	0	0	0	0	0	0	0
7.1	Wilshire/La Cienega Blvds.	5.4	Alt. 1 -Existing					43,801		268,251						
			Pref. Alt - Totals	0	0	0	0	43,801	0	268,251	0	0	0	0	0	0
7.2	Wilshire/La Cienega Blvds.	5.53	Alt. 1 -Existing					42,737	20,524	740,298			81,390			
			Pref. Alt - Totals	0	0	0	0	42,737	20,524	740,298	0	0	81,390	0	0	0
7.3	Wilshire/La Cienega Blvds.	6.95	Alt. 1 -Existing					134,446	18,164	314,180			145,169			
			Pref. Alt - Totals	0	0	0	0	134,446	18,164	314,180	0	0	145,169	0	0	0
7.4	Wilshire/La Cienega Blvds.	3.84	Alt. 1 -Existing					54,114		117,135			56,041			
			Pref. Alt - Totals	0	0	0	0	54,114	0	117,135	0	0	56,041	0	0	0
7.5	La Cienega - Wilshire	22.2	Alt. 1 -Existing		37			226,470		1,125,513	6,948		202,183	780		
			Pref. Alt- Total	0	0	0	0	64,873	0	2,333,123	0	0	0	0	0	0
7.6	Wilshire south side between	7.65	Alt. 1 -Existing					74,164	10,848	523,334			9,930			
			Pref. Alt-Totals	0	0	0	0	0	0	736,292	0	0	0	0	0	0
8.1	S. Robertson Blvd.	10.18	Alt. 1 -Existing					184,789		47,158		200	14,449	23,311		
			Pref. Alt - Totals	0	270	0	0	190,411	0	0	0	0	0	0	0	0
8.2	N. Robertson Blvd.	5.9	Alt. 1 -Existing					79,934		82,417	3,500		6,506			
			Pref. Alt - Totals	0	40	0	0	97,934	0	82,417	3,500	0	6,506	0	0	0
9.1	Southwest Residential	109.34	Alt. 1 -Existing	589	440			4,200				200				
			Pref. Alt - Totals	589	440	0	0	4,200	0	0	0	200	0	0	0	0
9.2	Roxbury Park	96.53	Alt. 1 -Existing	92	1,259					6,753			16,688			
			Pref. Alt - Totals	92	1,259	0	0	0	0	6,753	0	0	16,688	0	0	0
10.1	Southeast Residential	67.64	Alt. 1 -Existing	451	211						2,898			12,100		
			Pref. Alt - Totals	451	211	0	0	0	0	0	2,898	0	0	12,100	0	0

Preferred Alternative Land Use Assumptions for City of Beverly Hills General Plan

TAZ No.	Description	Net Acres	Scenario	SFDU (DUs)	MFDU (DUs)	Senior DU (DUs)	Hotel (DUs)	Retail/Commercial (sq. ft.)	Theater (sq. ft)	Office (sq. ft.)	Industrial (sq. ft.)	School (enrollment)	Medical (sq. ft.)	Institutional (sq. ft.)	Park (sq. ft.)	Night Club (sq. ft.)
10.2	Southeast Residential	94.04	Alt. 1 -Existing	315	1,858			3,150				719	1,100	55,748		
			Pref. Alt - Totals	315	1,858	0	0	3,150	0	0	0	719	1,100	55,748	0	0
10.3	Southeast Residential	41.3	Alt. 1 -Existing	198	634					6,920						
			Pref. Alt - Totals	198	634	0	0	0	0	6,920	0	0	0	0	0	0
11.1	East Residential	37.12	Alt. 1 -Existing	222	121							713				
			Pref. Alt - Totals	222	121	0	0	0	0	0	0	713	0	0	0	0
11.2	East Residential	32.89	Alt. 1 -Existing	170	119											
			Pref. Alt - Totals	170	119	0	0	0	0	0	0	0	0	0	0	0
12.1	S. Beverly Drive	14.99	Alt. 1 -Existing					208,182		617,635	5,250		14,939	5,632		
			Pref. Alt - Total	0	0	0	0	333,182	0	767,635	0	0	0	0	0	0
12.2	S. Beverly Drive	3.35	Alt. 1 -Existing					5,592		125,506			16,320	19,904		
			Pref. Alt - Totals	0	0	0	0	5,592	0	125,506	0	0	16,320	19,904	0	0
13.1	Olympic Blvd.	4.26	Alt. 1 -Existing		129											
			Pref. Alt - Totals	0	129	0	0	0	0	0	0	0	0	0	0	0
13.2	Olympic Blvd.	13.78	Alt. 1 -Existing		4			146,526		79,388		600	27,094	92,423		
			Pref. Alt - Totals	0	0	0	0	311,640	0	578,760	0	600	0	0	0	0
14.1	La Cienega Park & MFR	8.95	Alt. 1 -Existing		363					2,850			10,122			
			Pref. Alt - Total	0	363	0	0	0	0	2,850	0	0	10,122	0	0	0
14.2	La Cienegas Park & MFR	29.62	Alt. 1 -Existing		426											
			Pref. Alt - Totals	0	453	0	0	0	0	0	0	0	0	0	0	0
	Total Existing - Alt. 1			**5,754**	**10,000**	**150**	**569**	**4,034,493**	**49,536**	**11,222,344**	**120,082**	**4,147**	**1,269,780**	**960,030**	**0**	**0**
	Preferred Alternative - Total NEW LU			**-2**	**517**	**0**	**381**	**922,216**	**-848**	**3,785,016**	**-12,198**	**-200**	**-278,271**	**-190,789**	**0**	**####**
	Preferred Alternative - TOTALS CITYWIDE			**5,752**	**10,517**	**150**	**950**	**4,956,709**	**48,688**	**15,007,360**	**107,884**	**3,947**	**991,509**	**769,241**	**0**	**####**

APPENDIX B

ROADWAY CAPACITY DEVELOPMENT – HIGHWAY CAPACITY SOFTWARE OUTPUT

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L Arterial, Urban
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	12100	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.550	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	15	%

Roadway Characteristics

Number of through lanes one direction, N	1	
Free flow speed, FFS	35	mph
Urban class	4	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	8	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Pretimed	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	12100	vpd
Two-way hourly volume	1210	vph
Hourly directional volume	665	vph
Through-volume 15-min. flow rate	614	v
Running time	152.5	sec
v/c ratio	0.87	
Through capacity	702	vph
Progression factor, PF	1.000	
Uniform delay	24.9	sec
Filtering/metering factor, I	0.364	
Incremental delay	5.9	sec
Control delay	30.8	sec/v
Total travel speed, Sa	9.0	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L Arterial, Urban
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	14200	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.550	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	15	%

Roadway Characteristics

Number of through lanes one direction, N	1	
Free flow speed, FFS	35	mph
Urban class	4	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	8	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Pretimed	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	14200	vpd
Two-way hourly volume	1420	vph
Hourly directional volume	781	vph
Through-volume 15-min. flow rate	721	v
Running time	152.5	sec
v/c ratio	1.03	
Through capacity	702	vph
Progression factor, PF	1.000	
Uniform delay	27.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	18.1	sec
Control delay	45.1	sec/v
Total travel speed, Sa	7.0	mph
Total urban street LOS	E	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Arterial, urban
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	26600	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.550	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	15	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	35	mph
Urban class	4	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	8	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	26600	vpd
Two-way hourly volume	2660	vph
Hourly directional volume	1463	vph
Through-volume 15-min. flow rate	1351	v
Running time	152.5	sec
v/c ratio	0.96	
Through capacity	1405	vph
Progression factor, PF	1.000	
Uniform delay	26.3	sec
Filtering/metering factor, I	0.181	
Incremental delay	4.6	sec
Control delay	30.9	sec/v
Total travel speed, Sa	9.0	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Arterial, urban
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	28500	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.550	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	15	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	35	mph
Urban class	4	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	8	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	28500	vpd
Two-way hourly volume	2850	vph
Hourly directional volume	1567	vph
Through-volume 15-min. flow rate	1447	v
Running time	152.5	sec
v/c ratio	1.03	
Through capacity	1405	vph
Progression factor, PF	1.000	
Uniform delay	27.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	16.7	sec
Control delay	43.7	sec/v
Total travel speed, Sa	7.2	mph
Total urban street LOS	E	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Arterial, Divided.
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS C Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	30200	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	Yes	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	2	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	120.0	sec
Effective green ratio, g/C	0.450	

Results

Annual average daily traffic, AADT	30200	vpd
Two-way hourly volume	3020	vph
Hourly directional volume	1812	vph
Through-volume 15-min. flow rate	1575	v
Running time	93.0	sec
v/c ratio	0.95	
Through capacity	1664	vph
Progression factor, PF	1.000	
Uniform delay	31.6	sec
Filtering/metering factor, I	0.215	
Incremental delay	3.6	sec
Control delay	35.2	sec/v
Total travel speed, Sa	22.0	mph
Total urban street LOS	C	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Arterial, Divided
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	33600	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	Yes	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	2	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	120.0	sec
Effective green ratio, g/C	0.450	

Results

Annual average daily traffic, AADT	33600	vpd
Two-way hourly volume	3360	vph
Hourly directional volume	2016	vph
Through-volume 15-min. flow rate	1753	v
Running time	93.0	sec
v/c ratio	1.05	
Through capacity	1664	vph
Progression factor, PF	1.000	
Uniform delay	33.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	25.9	sec
Control delay	58.9	sec/v
Total travel speed, Sa	17.1	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Arterial, Divided
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	36000	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	Yes	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	2	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	120.0	sec
Effective green ratio, g/C	0.450	

Results

Annual average daily traffic, AADT	36000	vpd
Two-way hourly volume	3600	vph
Hourly directional volume	2160	vph
Through-volume 15-min. flow rate	1878	v
Running time	93.0	sec
v/c ratio	1.13	
Through capacity	1664	vph
Progression factor, PF	1.000	
Uniform delay	33.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	58.7	sec
Control delay	91.7	sec/v
Total travel speed, Sa	13.0	mph
Total urban street LOS	E	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	6-L Arterial
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS C Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	44000	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	3	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	2	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	120.0	sec
Effective green ratio, g/C	0.450	

Results

Annual average daily traffic, AADT	44000	vpd
Two-way hourly volume	4400	vph
Hourly directional volume	2640	vph
Through-volume 15-min. flow rate	2295	v
Running time	93.0	sec
v/c ratio	0.97	
Through capacity	2371	vph
Progression factor, PF	1.000	
Uniform delay	32.2	sec
Filtering/metering factor, I	0.166	
Incremental delay	3.1	sec
Control delay	35.3	sec/v
Total travel speed, Sa	22.0	mph
Total urban street LOS	C	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	6-L Arterial
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	47950	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	3	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	2	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	120.0	sec
Effective green ratio, g/C	0.450	

Results

Annual average daily traffic, AADT	47950	vpd
Two-way hourly volume	4795	vph
Hourly directional volume	2877	vph
Through-volume 15-min. flow rate	2501	v
Running time	93.0	sec
v/c ratio	1.05	
Through capacity	2371	vph
Progression factor, PF	1.000	
Uniform delay	33.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	25.9	sec
Control delay	58.9	sec/v
Total travel speed, Sa	17.1	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	6-L Arterial
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	51300	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1850	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	3	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	2	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	120.0	sec
Effective green ratio, g/C	0.450	

Results

Annual average daily traffic, AADT	51300	vpd
Two-way hourly volume	5130	vph
Hourly directional volume	3078	vph
Through-volume 15-min. flow rate	2676	v
Running time	93.0	sec
v/c ratio	1.13	
Through capacity	2371	vph
Progression factor, PF	1.000	
Uniform delay	33.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	58.5	sec
Control delay	91.5	sec/v
Total travel speed, Sa	13.0	mph
Total urban street LOS	E	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS C Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	2000	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	5	%

Roadway Characteristics

Number of through lanes one direction, N	1	
Free flow speed, FFS	35	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	3	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	2000	vpd
Two-way hourly volume	200	vph
Hourly directional volume	120	vph
Through-volume 15-min. flow rate	123	v
Running time	108.3	sec
v/c ratio	0.20	
Through capacity	607	vph
Progression factor, PF	1.000	
Uniform delay	17.6	sec
Filtering/metering factor, I	0.987	
Incremental delay	0.7	sec
Control delay	18.4	sec/v
Total travel speed, Sa	22.0	mph
Total urban street LOS	C	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	9200	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	5	%

Roadway Characteristics

Number of through lanes one direction, N	1	
Free flow speed, FFS	35	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	3	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	9200	vpd
Two-way hourly volume	920	vph
Hourly directional volume	552	vph
Through-volume 15-min. flow rate	569	v
Running time	108.3	sec
v/c ratio	0.94	
Through capacity	607	vph
Progression factor, PF	1.000	
Uniform delay	25.9	sec
Filtering/metering factor, I	0.235	
Incremental delay	8.1	sec
Control delay	34.0	sec/v
Total travel speed, Sa	17.1	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	10300	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	5	%

Roadway Characteristics

Number of through lanes one direction, N	1	
Free flow speed, FFS	35	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	3	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	10300	vpd
Two-way hourly volume	1030	vph
Hourly directional volume	618	vph
Through-volume 15-min. flow rate	638	v
Running time	108.3	sec
v/c ratio	1.05	
Through capacity	607	vph
Progression factor, PF	1.000	
Uniform delay	27.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	27.6	sec
Control delay	54.6	sec/v
Total travel speed, Sa	13.2	mph
Total urban street LOS	E	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS C Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	9300	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	5	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	3	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	9300	vpd
Two-way hourly volume	930	vph
Hourly directional volume	558	vph
Through-volume 15-min. flow rate	576	v
Running time	100.0	sec
v/c ratio	0.47	
Through capacity	1215	vph
Progression factor, PF	1.000	
Uniform delay	20.0	sec
Filtering/metering factor, I	0.877	
Incremental delay	1.2	sec
Control delay	21.2	sec/v
Total travel speed, Sa	22.0	mph
Total urban street LOS	C	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	19800	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	5	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	3	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	19800	vpd
Two-way hourly volume	1980	vph
Hourly directional volume	1188	vph
Through-volume 15-min. flow rate	1226	v
Running time	100.0	sec
v/c ratio	1.01	
Through capacity	1215	vph
Progression factor, PF	1.000	
Uniform delay	27.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	10.1	sec
Control delay	37.1	sec/v
Total travel speed, Sa	17.0	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	4-L Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	20900	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	0.600	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	5	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	40	mph
Urban class	2	
Section length	1.00	miles
Median	No	
Left-turn bays	Yes	

Signal Characteristics

Signalized intersections	3	
Arrival type, AT	3	
Signal type (k = 0.5 for planning)	Actuated	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	20900	vpd
Two-way hourly volume	2090	vph
Hourly directional volume	1254	vph
Through-volume 15-min. flow rate	1294	v
Running time	100.0	sec
v/c ratio	1.07	
Through capacity	1215	vph
Progression factor, PF	1.000	
Uniform delay	27.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	31.3	sec
Control delay	58.3	sec/v
Total travel speed, Sa	13.1	mph
Total urban street LOS	E	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L One-way Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS D Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	9300	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	1.000	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	35	mph
Urban class	4	
Section length	1.00	miles
Median	Yes	
Left-turn bays	No	

Signal Characteristics

Signalized intersections	10	
Arrival type, AT	4	
Signal type (k = 0.5 for planning)	Pretimed	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	9300	vpd
Two-way hourly volume	930	vph
Hourly directional volume	930	vph
Through-volume 15-min. flow rate	808	v
Running time	165.0	sec
v/c ratio	0.74	
Through capacity	1087	vph
Progression factor, PF	0.895	
Uniform delay	23.1	sec
Filtering/metering factor, I	0.589	
Incremental delay	2.8	sec
Control delay	23.4	sec/v
Total travel speed, Sa	9.0	mph
Total urban street LOS	D	

HCS+: Urban Streets Release 5.21

PLANNING ANALYSIS

Analyst:	RC
Agency/Co.:	Fehr & Peers
Date Performed:	7/30/2007
Analysis Time Period:	Peak Hour
Urban Street:	2-L One-way Collector
Direction of Travel:	
Jurisdiction:	Beverly Hills, CA
Analysis Year:	2007
Project ID: LOS E Threshold	

Traffic Characteristics

Annual average daily traffic, AADT	12600	vpd
Planning analysis hour factor, K	0.100	
Directional distribution factor, D	1.000	
Peak-hour factor, PHF	0.920	
Adjusted saturation flow rate	1600	pcphgpl
Percent turns from exclusive lanes	20	%

Roadway Characteristics

Number of through lanes one direction, N	2	
Free flow speed, FFS	35	mph
Urban class	4	
Section length	1.00	miles
Median	Yes	
Left-turn bays	No	

Signal Characteristics

Signalized intersections	10	
Arrival type, AT	4	
Signal type (k = 0.5 for planning)	Pretimed	
Cycle length, C	90.0	sec
Effective green ratio, g/C	0.400	

Results

Annual average daily traffic, AADT	12600	vpd
Two-way hourly volume	1260	vph
Hourly directional volume	1260	vph
Through-volume 15-min. flow rate	1095	v
Running time	165.0	sec
v/c ratio	1.01	
Through capacity	1087	vph
Progression factor, PF	0.895	
Uniform delay	27.0	sec
Filtering/metering factor, I	0.090	
Incremental delay	10.0	sec
Control delay	34.2	sec/v
Total travel speed, Sa	7.1	mph
Total urban street LOS	E	

APPENDIX C

EXISTING TRAFFIC COUNTS COLLECTED FROM CITY – COUNT SUMMARY

Segment I.D.	Intersection I.D	Count Date	N/S Street	E/W Street	AM Peak Hour Volume												PM Peak Hour Volume											
					NBL	NBT	NBR	SBL	SBT	SBR	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR	EBL	EBT	EBR	WBL	WBT	WBR
1	1	10/26/2004	CANON DR/ RODEO DR	SUNSET BL	*Roadway Segment Volumes Manually Determined due to Intersection Configurations*																							
3	1	10/26/2004	CANON DR/ RODEO DR	SUNSET BL																								
5	1	10/26/2004	CANON DR/ RODEO DR	SUNSET BL																								
6	2	10/26/2004	BEVERLY DR/ CRESCENT DR	SUNSET BL																								
7	2	10/26/2004	BEVERLY DR/ CRESCENT DR	SUNSET BL																								
2	2	10/26/2004	BEVERLY DR/ CRESCENT DR	SUNSET BL																								
4	2	10/26/2004	BEVERLY DR/ CRESCENT DR	SUNSET BL																								
13	3	6/28/2006	N SANTA MONICA BL	WILSHIRE BL	0	709	51	0	1495	575	577	1,504	44	176	1,724	29	0	829	89	0	983	414	500	1679	56	244	1783	53
22	3	6/28/2006	N SANTA MONICA BL	WILSHIRE BL	0	709	51	0	1495	575	577	1,504	44	176	1,724	29	0	829	89	0	983	414	500	1679	56	244	1783	53
14	3	6/28/2006	N SANTA MONICA BL	WILSHIRE BL	0	709	51	0	1495	575	577	1,504	44	176	1,724	29	0	829	89	0	983	414	500	1679	56	244	1783	53
22	4	10/26/2004	WHITTIER DR	WILSHIRE BL	24	68	23	116	523	359	227	2,133	157	60	2,198	26	23	446	37	29	125	133	325	2389	56	65	2243	34
8	5	6/8/2006	RODEO DR	N SANTA MONICA BL	1	78	21	26	257	44	22	1,144	31	50	1,633	18	1	248	49	28	226	41	23	1305	44	88	1263	35
14	5	6/8/2006	RODEO DR	N SANTA MONICA BL	1	78	21	26	257	44	22	1,144	31	50	1,633	18	1	248	49	28	226	41	23	1305	44	88	1263	35
9	6	6/13/2006	BEVERLY DR	N SANTA MONICA BL	38	433	74	38	647	82	19	1,151	23	61	1,553	16	60	633	156	46	471	43	28	1458	23	100	1304	40
10	7	6/13/2006	CANON DR	N SANTA MONICA BL	29	163	23	108	325	12	14	1,143	65	30	1,679	29	51	320	58	111	267	8	13	1459	50	48	1338	74
11	8	6/13/2006	REXFORD DR	N SANTA MONICA BL	33	196	41	89	240	16	15	1,402	30	43	1,627	15	46	300	84	85	188	19	5	1819	24	48	1550	51
15	9	6/13/2006	ALPINE DR	N SANTA MONICA BL	0	0	0	7	0	27	1	1,262	291	2	1,654	23	0	0	0	7	0	10	8	1869	143	0	1592	68
16	12	6/14/2006	DOHENY DR	N SANTA MONICA BL	37	300	98	121	239	89	55	548	198	116	1,388	18	46	298	156	176	274	68	70	1079	350	121	1177	40
17	13	6/28/2006	S SANTA MONICA	WILSHIRE BL	104	601	227	76	924	399	240	1,136	154	166	1,552	22	53	788	51	43	1488	563	538	1169	38	147	1445	22
18	13	6/28/2006	S SANTA MONICA	WILSHIRE BL	104	601	227	76	924	399	240	1,136	154	166	1,552	22	53	788	51	43	1488	563	538	1169	38	147	1445	22
18	14	6/13/2006	RODEO DR	S SANTA MONICA	12	65	45	59	271	51	9	549	74	122	1,343	38	42	219	113	42	235	27	4	1336	151	85	806	77
31	15	6/15/2006	BEVERLY DR	S SANTA MONICA	55	534	88	0	674	97	37	540	64	137	1,423	20	106	659	263	0	540	79	120	1154	157	114	782	37
32	16	6/8/2006	CANON DR	S SANTA MONICA	16	74	38	177	185	22	16	496	64	90	1,528	102	38	261	110	118	200	19	0	1399	117	89	923	163
19	16	6/8/2006	CANON DR	S SANTA MONICA	16	74	38	177	185	22	16	496	64	90	1,528	102	38	261	110	118	200	19	0	1399	117	89	923	163
19	17	6/13/2006	REXFORD DR	BURTON WAY	24	149	9	110	155	28	10	788	21	38	1,783	87	37	195	17	132	153	56	81	1220	58	75	1197	157
20	18	6/13/2006	MAPLE DR	3RD ST	33	81	22	11	81	27	26	122	39	46	372	44	18	110	56	20	125	36	53	220	64	62	138	34
21	19	6/13/2006	MAPLE DR	BURTON WAY	0	0	19	44	0	139	56	833	8	0	1,486	63	0	0	39	80	0	153	119	1259	4	0	1114	70
23	20	6/28/2006	ROXBURY DR	WILSHIRE BL	0	0	99	0	139	291	166	1,203	47	97	1,575	17	0	0	153	0	177	442	153	1199	114	92	1263	32
24	21	6/8/2006	CAMDEN DR	WILSHIRE BL	0	0	19	0	0	0	275	1,357	11	35	1,547	353	0	0	30	0	0	0	338	1718	20	58	1443	228
36	22	6/13/2006	BEVERLY DR	WILSHIRE BL	137	588	114	0	404	110	62	1,118	101	188	1,663	75	135	608	118	0	592	134	145	1462	147	196	1177	110
35	23	6/15/2006	CANON DR	DAYTON WAY	0	100	17	61	231	0	55	160	25	0	0	0	0	316	22	74	339	0	150	311	66	0	0	0
34	24	6/13/2006	BEVERLY DR	DAYTON WAY	0	761	101	56	683	0	37	91	29	0	0	0	0	992	125	155	738	0	156	300	133	0	0	0
35	24	6/13/2006	BEVERLY DR	DAYTON WAY	0	761	101	56	683	0	37	91	29	0	0	0	0	992	125	155	738	0	156	300	133	0	0	0
33	25	6/13/2006	BEVERLY DR	BRIGHTON WAY	115	649	0	0	692	92	0	0	0	58	164	60	85	925	0	0	726	94	0	0	0	76	166	106
34	25	6/13/2006	BEVERLY DR	BRIGHTON WAY	115	649	0	0	692	92	0	0	0	58	164	60	85	925	0	0	726	94	0	0	0	76	166	106
32	26	6/15/2006	CANON DR	BRIGHTON WAY	25	111	0	0	234	87	0	0	0	19	133	30	65	309	0	0	445	131	0	0	0	50	225	108
33	26	6/15/2006	CANON DR	BRIGHTON WAY	25	111	0	0	234	87	0	0	0	19	133	30	65	309	0	0	445	131	0	0	0	50	225	108
25	27	6/14/2006	CANON DR	WILSHIRE BL	0	0	0	104	0	155	119	1,302	0	0	1,881	85	0	0	0	198	0	284	107	1,675	0	0	1,362	109
25	28	6/14/2006	S CANON DR	WILSHIRE BL	3	0	25	0	0	0	0	1,234	9	11	1,881	0	2	0	32	0	0	0	0	1609	18	32	1387	0
25	29	6/15/2006	CRESCENT DR	WILSHIRE BL	18	146	15	132	82	38	92	1,127	3	13	1,865	133	37	171	57	204	258	88	160	1621	13	32	1307	118
21	30	6/13/2006	DOHENY DR	BURTON WAY	59	426	9	65	545	348	74	571	27	109	646	99	64	532	26	81	564	120	134	1087	44	55	877	106
39	31	10/27/2004	DOHENY DR	WILSHIRE BL	110	391	78	100	488	99	86	1,136	72	66	1,567	92	224	508	97	125	543	138	115	1500	104	107	1473	99
40	31	10/27/2004	DOHENY DR	WILSHIRE BL	110	391	78	100	488	99	86	1,136	72	66	1,567	92	224	508	97	125	543	138	115	1500	104	107	1473	99
26	31	10/27/2004	DOHENY DR	WILSHIRE BL	110	391	78	100	488	99	86	1,136	72	66	1,567	92	224	508	97	125	543	138	115	1500	104	107	1473	99
26	32	11/9/2004	LA PEER DR	WILSHIRE BL	49	109	49	50	114	44	16	1,134	37	48	1,679	14	55	172	38	51	195	30	31	1929	19	23	1489	17
26	33	10/13/2005	ROBERTSON BL	WILSHIRE BL	140	579	112	53	539	93	69	794	59	138	1,524	105	181	607	158	64	658	96	120	1370	138	129	1007	59
42	33	10/13/2005	ROBERTSON BL	WILSHIRE BL	140	579	112	53	539	93	69	794	59	138	1,524	105	181	607	158	64	658	96	120	1370	138	129	1007	59
41	33	10/13/2005	ROBERTSON BL	WILSHIRE BL	140	579	112	53	539	93	69	794	59	138	1,524	105	181	607	158	64	658	96	120	1370	138	129	1007	59
27	33	10/13/2005	ROBERTSON BL	WILSHIRE BL	140	579	112	53	539	93	69	794	59	138	1,524	105	181	607	158	64	658	96	120	1370	138	129	1007	59
27	34	10/26/2004	WILLAMAN DR	WILSHIRE BL	87	120	58	29	85	38	39	1,307	49	49	1,739	71	59	156	59	37	206	44	43	1656	46	58	1608	41
27	35	10/13/2005	STANLEY DR	WILSHIRE BL	2	0	22	4	2	32	12	1,014	5	12	1,764	7	1	0	23	4	3	23	33	1574	16	16	1189	15
27	36	10/13/2005	LA CIENEGA	WILSHIRE BL	189	1056	230	80	830	138	101	881	113	171	1,357	55	150	1077	169	146	1119	115	189	1377	176	179	957	63
43	36	10/13/2005	LA CIENEGA	WILSHIRE BL	189	1056	230	80	830	138	101	881	113	171	1,357	55	150	1077	169	146	1119	115	189	1377	176	179	957	63

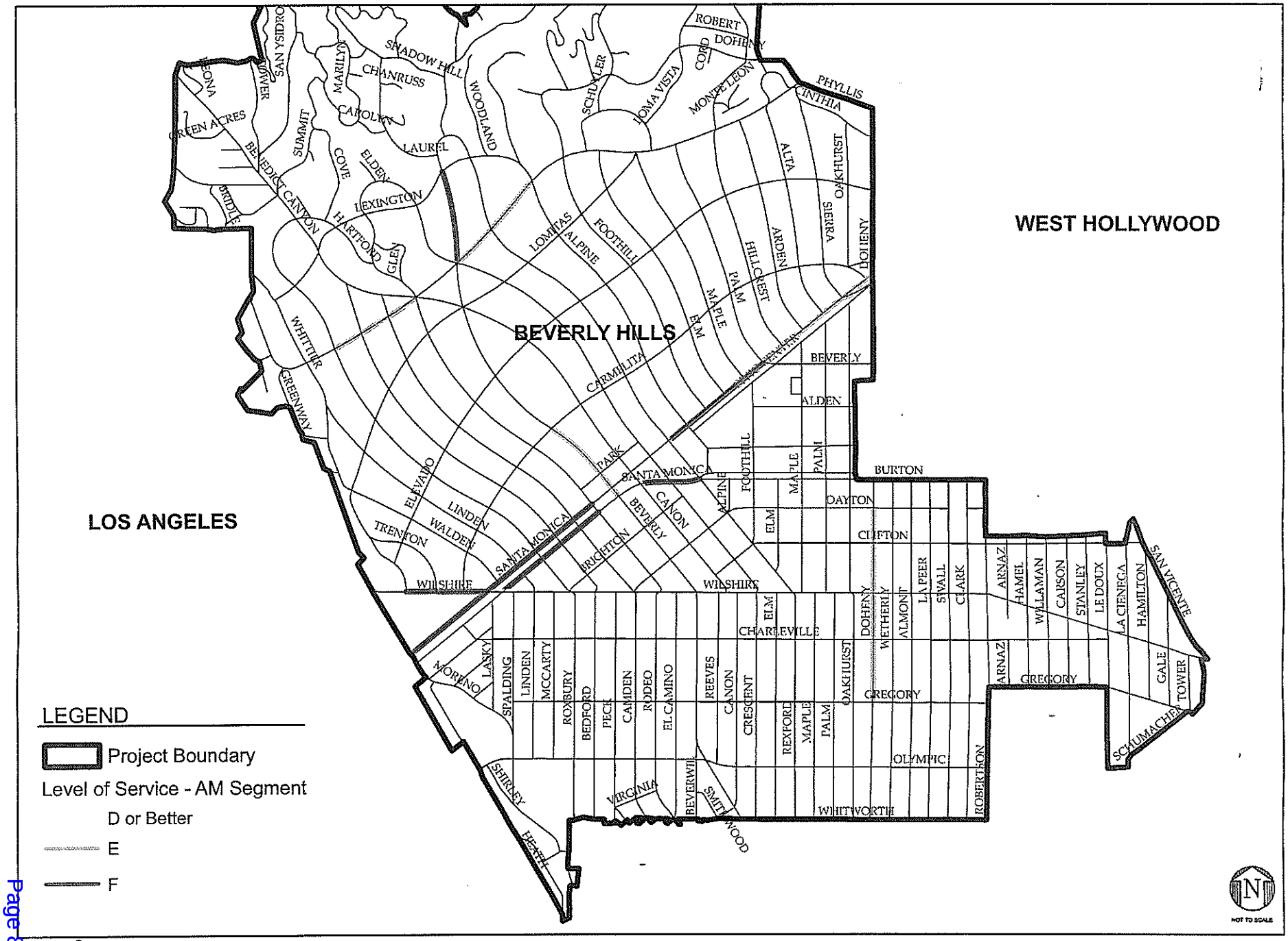
Segment I.D.	Intersection I.D	Count Date	N/S Street	E/W Street	AM Peak Hour Volume												PM Peak Hour Volume											
					NBL	NBT	NBR	SBL	SBT	SBR	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR	EBL	EBT	EBR	WBL	WBT	WBR
44	36	10/13/2005	LA CIENEGA	WILSHIRE BL	169	1056	230	80	830	138	101	881	113	171	1,357	55	150	1077	169	146	1119	115	189	1377	176	179	957	63
42	37	10/13/2005	ROBERTSON BL	CHARLEVILLE BL	81	741	22	34	670	31	18	105	42	24	85	91	36	778	39	28	812	29	99	193	118	19	46	38
36	38	6/13/2006	BEVERLY DR	CHARLEVILLE BL	51	642	27	42	442	48	15	16	46	59	110	41	74	574	73	108	687	52	144	58	186	67	77	40
44	39	10/13/2005	LA CIENEGA	GREGORY BL	61	1315	87	6	1073	29	17	35	44	114	46	11	31	1270	128	12	1400	46	62	129	143	121	104	34
28	40	10/26/2004	SPALDING DR	OLYMPIC BL	112	48	21	148	21	307	285	1,384	14	15	2,546	70	30	34	27	234	67	358	227	1956	15	31	1936	84
28	41	6/8/2006	CAMDEN DR	OLYMPIC BL	60	64	24	27	20	34	56	1,279	13	13	2,264	21	15	44	18	79	91	50	40	1812	22	27	1776	23
28	42	6/8/2006	BEVERWIL DR	OLYMPIC BL	127	249	72	0	146	63	18	1,217	88	18	2,121	0	53	291	62	0	608	157	91	1747	53	47	1652	0
37	42	6/8/2006	BEVERWIL DR	OLYMPIC BL	127	249	72	0	146	63	18	1,217	88	18	2,121	0	53	291	62	0	608	157	91	1747	53	47	1652	0
38	43	6/13/2006	BEVERLY DR	OLYMPIC BL	74	604	36	66	171	0	0	1,304	44	20	1,964	39	93	501	88	184	438	0	0	1719	42	38	1639	24
29	43	6/13/2006	BEVERLY DR	OLYMPIC BL	74	604	36	66	171	0	0	1,304	44	20	1,964	39	93	501	88	184	438	0	0	1719	42	38	1639	24
29	44	11/16/2004	REXFORD DR	OLYMPIC BL	79	146	37	132	114	59	70	1,316	20	20	2,155	67	68	114	37	112	217	71	57	1852	31	45	1899	56
29	45	6/19/2004	MAPLE DR	OLYMPIC BL	2	3	17	4	5	34	14	1,760	12	20	2,048	18	2	2	20	10	14	61	22	2273	29	27	1911	20
29	46	6/19/2004	PALM DR	OLYMPIC BL	1	4	70	5	1	30	41	1,748	27	19	2,030	12	1	0	31	6	3	53	55	2196	43	29	1880	9
29	47	11/16/2004	DOHENY DR	OLYMPIC BL	46	137	42	55	272	125	89	766	63	65	1,491	64	83	316	91	141	634	120	99	1841	133	106	1287	50
30	47	11/16/2004	DOHENY DR	OLYMPIC BL	46	137	42	55	272	125	89	766	63	65	1,491	64	83	316	91	141	634	120	99	1841	133	106	1287	50
30	48	11/10/2004	LA PEER DR	OLYMPIC BL	48	165	43	36	170	56	34	1,330	30	35	1,976	29	55	110	66	72	215	59	37	1541	48	68	1728	33
30	49	10/13/2005	ROBERTSON BL	OLYMPIC BL	119	568	37	40	558	92	147	524	33	131	1,612	29	167	618	41	131	707	97	131	1629	133	155	2366	63
12	50	6/13/2006	PALM DR	N SANTA MONICA BL	625	130	0	34	263	1	0	851	359	45	1,001	9	702	89	0	53	235	6	0	1479	343	23	1039	12
45	51	6/15/2004	REXFORD DR	CHARLEVILLE BL	27	230	14	10	134	27	41	182	62	27	185	72	7	245	19	16	266	44	27	237	44	28	150	80

APPENDIX D

TRAFFIC FORECASTS & LOS RESULTS – GENERAL PLAN ALTERNATIVES 1 - 4

Table D1
Roadway LOS Results for City of Beverly Hills General Plan Alternatives

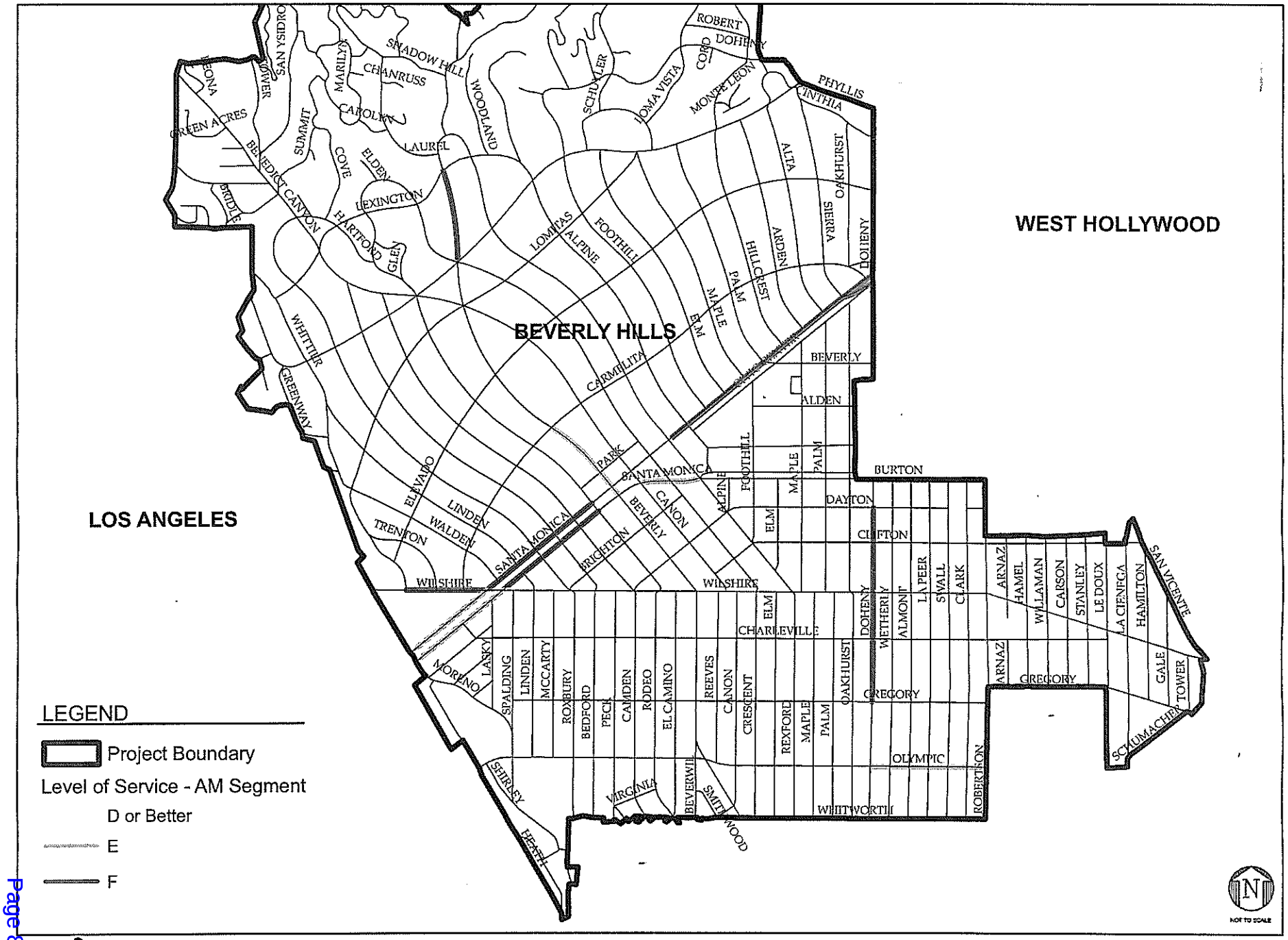
					Existing				Alt. 1				Alt. 2				Alt. 3				Preferred Alternative			
Seg	FULL_NAME	Seg_FROM	Seg_TO	Lanes/ Facility Type	Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS	Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS	Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS	Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS	Seg AM Pk Vol	Seg PM Pk Vol	Seg AM Pk LOS	Seg PM Pk LOS
1	SUNSET BL	ROXBURY DR	CANON DR	4ADIV	3,327	3,126	D	D	3,493	3,282	E	D	3,543	3,448	E	E	3,591	3,585	E	E	3,632	3,492	F	E
2	SUNSET BL	CRESCENT DR	ALPINE DR	4ADIV	3,314	3,080	D	D	3,480	3,234	E	D	3,529	3,400	E	E	3,577	3,537	E	E	3,619	3,443	F	E
3	CANON DR	SUNSET BL	LEXINGTON RD	2A	1,151	1,084	C	C	1,209	1,138	C	C	1,248	1,271	E	E	1,287	1,380	E	E	1,320	1,306	E	E
4	BEVERLY DR	SUNSET BL	LEXINGTON RD	2A	1,431	1,572	F	F	1,503	1,651	F	F	1,542	1,783	F	F	1,581	1,893	F	F	1,614	1,818	F	F
5	CANON DR	LOMITAS AV	SUNSET DR	2A	1,046	1,049	C	C	1,098	1,101	C	C	1,158	1,300	C	E	1,215	1,465	E	F	1,265	1,353	E	E
6	BEVERLY DR	LOMITAS AV	SUNSET DR	4C	1,271	1,355	D	D	1,335	1,423	D	D	1,394	1,622	D	D	1,452	1,786	D	D	1,501	1,674	D	D
7	N CRESCENT DR	LOMITAS AV	SUNSET DR	2C	473	764	D	D	497	802	D	D	526	992	D	D	555	984	D	E	580	928	D	E
8	RODEO DR	N SANTA MONICA BL	CARMELITA AV	2C	445	601	D	D	467	631	D	D	497	730	D	D	526	813	D	D	551	757	D	D
9	BEVERLY DR	N SANTA MONICA BL	CARMELITA AV	2A	1,235	1,261	E	E	1,299	1,328	E	E	1,356	1,523	E	F	1,414	1,687	E	F	1,463	1,575	F	F
10	CANON DR	N SANTA MONICA BL	CARMELITA AV	2C	651	793	D	D	685	836	D	D	743	1,031	D	F	801	1,186	D	F	850	1,084	D	F
11	REXFORD DR	N SANTA MONICA BL	CARMELITA AV	2C	573	648	D	D	604	683	D	D	621	747	D	D	641	801	D	D	657	764	D	D
12	PALM DRIVE	N SANTA MONICA BL	CARMELITA AV	2C	437	395	D	D	459	415	D	D	469	448	D	D	478	475	D	D	487	457	D	D
13	N SANTA MONICA BL[1]	CENTURY PARK	WILSHIRE BL	4A	2,475	2,201	E	C	2,717	2,406	F	E	2,826	2,673	F	F	3,024	3,155	F	F	3,101	2,919	F	F
14	N SANTA MONICA BL[1]	WILSHIRE BL	RODEO DR	4A	3,484	3,848	F	F	3,748	4,045	F	F	4,058	5,006	F	F	4,356	5,780	F	F	4,581	5,318	F	F
15	N SANTA MONICA BL	REXFORD DR	PALM DR	4A	2,837	2,506	E	C	3,121	2,857	F	F	3,269	3,440	F	F	3,466	3,972	F	F	3,605	3,639	F	F
16	N SANTA MONICA BL1	PALM DR	DOHENY DR	4A	2,315	2,790	C	F	2,541	3,063	E	F	2,525	3,248	E	F	2,622	3,539	F	F	2,675	3,334	F	F
17	S SANTA MONICA BL	CENTURY PARK	WILSHIRE BL	4A	2,176	2,565	C	C	2,385	2,812	C	E	2,551	3,348	C	F	2,914	4,056	F	F	2,875	3,624	F	F
18	S SANTA MONICA BL	WILSHIRE BL	RODEO DR	4A	3,179	2,877	F	F	3,425	3,024	F	F	3,537	3,686	F	F	3,798	4,441	F	F	4,098	4,031	F	F
19	S SANTA MONICA BL	CANON DR	REXFORD DR	4A	2,654	2,649	C	C	2,916	2,782	F	E	3,296	3,505	F	F	3,411	3,853	F	F	3,445	3,566	F	F
20	3RD ST	FOOTHILL RD	MAPLE DR	2C	619	529	D	D	650	556	D	D	679	594	D	D	678	594	D	D	678	594	D	D
21	BURTON WAY	MAPLE DR	DOHENY DR	4ADIV	1,725	2,326	C	C	1,877	2,442	C	C	1,948	2,631	C	C	1,998	2,777	C	C	2,010	2,655	C	C
22	WILSHIRE BL[1]	MERV GRIFFIN WAY	N SANTA MONICA BL	6A	4,424	4,432	E	E	4,770	4,674	F	F	4,968	5,337	F	F	5,160	5,885	F	F	5,325	5,511	F	F
23	WILSHIRE BL[1]	S SANTA MONICA BL	ROXBURY DR	6A	3,179	2,877	C	C	3,425	3,024	C	C	3,537	3,686	C	C	3,798	4,441	C	E	4,098	4,031	D	D
24	WILSHIRE BL	BEDFORD DR	CAMDEN DR	6A	3,190	3,519	C	C	3,430	3,695	C	C	3,541	4,462	C	D	3,918	5,415	C	F	4,718	5,515	D	F
25	WILSHIRE BL	BEVERLY DR	CRESCENT DR	6A	3,158	3,063	C	C	3,393	3,217	C	C	3,491	4,223	C	C	3,824	5,459	C	F	4,741	5,013	D	E
26	WILSHIRE BL	DOHENY DR	ROBERTSON BL	6A	3,039	3,401	C	C	3,263	3,571	C	C	3,358	4,508	C	D	3,714	5,543	C	F	4,226	4,811	C	E
27	WILSHIRE BL	ROBERTSON BL	LA CIENEGA BL	6A	2,778	2,964	C	C	2,978	3,119	C	C	3,123	3,848	C	C	3,392	4,659	C	D	3,766	4,097	C	C
28	OLYMPIC BL	SPALDING DR	BEVERWIL DR	6A	3,634	3,753	C	C	3,815	4,118	C	C	3,993	4,598	C	D	4,312	5,418	C	F	4,691	5,559	E	F
29	OLYMPIC BL	BEVERLY DR	DOHENY DR	6A	3,429	3,692	C	C	3,600	4,047	C	C	3,850	4,783	C	D	4,164	5,559	C	F	4,376	5,250	C	F
30	OLYMPIC BL	DOHENY DR	ROBERTSON BL	6A	2,527	4,523	C	D	2,654	4,962	C	E	2,815	5,526	C	F	3,095	6,228	C	F	3,300	5,874	C	F
31	BEVERLY DR	BRIGHTON WAY	S SANTA MONICA BL	4A	1,552	1,839	C	C	1,640	1,944	C	C	1,481	2,613	C	E	1,607	3,666	C	F	1,982	2,690	C	E
32	CANON DR	BRIGHTON WAY	S SANTA MONICA BL	4C	467	815	C	C	495	857	C	C	504	899	C	C	523	935	C	D	570	985	C	D
33	BRIGHTON WAY	BEVERLY DR	CANON DR	2CO	282	348	C	C	295	365	C	C	326	455	C	C	355	547	C	C	379	491	C	C
34	BEVERLY DR	DAYTON WAY	BRIGHTON WAY	4A	1,514	1,812	C	C	1,590	1,902	C	C	1,431	2,770	C	E	1,558	3,624	C	F	1,853	2,550	C	C
35	DAYTON WAY	BEVERLY DR	CANON DR	2CO	248	580	C	C	261	609	C	C	270	649	C	C	278	712	C	C	277	683	C	C
36	BEVERLY DR	CHARLEVILLE BL	WILSHIRE BL	4A	1,532	1,796	C	C	1,616	1,886	C	C	1,558	2,403	C	C	1,642	2,794	C	E	1,852	2,386	C	C
37	BEVERWIL DR	RODEO DR	OLYMPIC BL	4C	700	1,114	C	D	734	1,175	C	D	793	1,373	C	D	850	1,539	C	D	942	1,493	D	D
38	BEVERLY DR	WHITWORTH DR	OLYMPIC BL	4A	949	1,200	C	C	997	1,264	C	C	1,067	1,719	C	C	1,159	1,741	C	C	1,200	1,773	C	C
39	DOHENY DR	WILSHIRE BL	DAYTON WAY	2A	1,256	1,528	E	F	1,323	1,604	E	F	1,472	2,041	F	F	1,502	2,169	F	F	1,629	2,077	F	F
40	DOHENY DR	GREGORY BL	WILSHIRE BL	2A	1,205	1,583	C	F	1,289	1,661	E	F	1,426	2,244	F	F	1,409	2,383	E	F	1,589	2,218	F	F
41	ROBERTSON BL	WILSHIRE BL	CLIFTON WAY	4A	1,438	1,604	C	C	1,515	1,684	C	C	1,630	1,968	C	C	1,700	2,165	C	C	1,747	2,092	C	C
42	ROBERTSON BL	GREGORY BL	WILSHIRE BL	4A	1,565	1,871	C	C	1,648	1,964	C	C	1,708	2,269	C	C	1,828	2,454	C	C	1,900	2,246	C	C
43	LA CIENEGA BL	WILSHIRE BL	CLIFTON WAY	6A	2,260	2,709	C	C	2,378	2,906	C	C	2,468	3,138	C	C	2,544	3,340	C	C	2,643	3,259	C	C
44	LA CIENEGA BL	GREGORY BL	WILSHIRE BL	6A	2,589	2,870	C	C	2,726	3,077	C	C	2,809	3,313	C	C	2,884	3,520	C	C	2,996	3,399	C	C
45	CHARLEVILLE BL	REXFORD DR	PALM DR	2C	490	530	D	D	515	557	D	D	581	845	D	D	634	984	D	E	635	804	D	D
			Number of Segments at LOS E		Existing =		5	2	Alt. 1 =		6	5	Alt. 2 =		5	6	Alt. 3 =		6	7	Preferred Alt. =		3	6
			Number of Segments at LOS F				3	6			7	8			9	14			10	22			14	17
			Number of Segments at LOS E & F				8	8			13	13			14	20			16	29			17	25



FEHR & PEERS
KAKU ASSOCIATES

ALTERNATIVE 1 - AM PERIOD

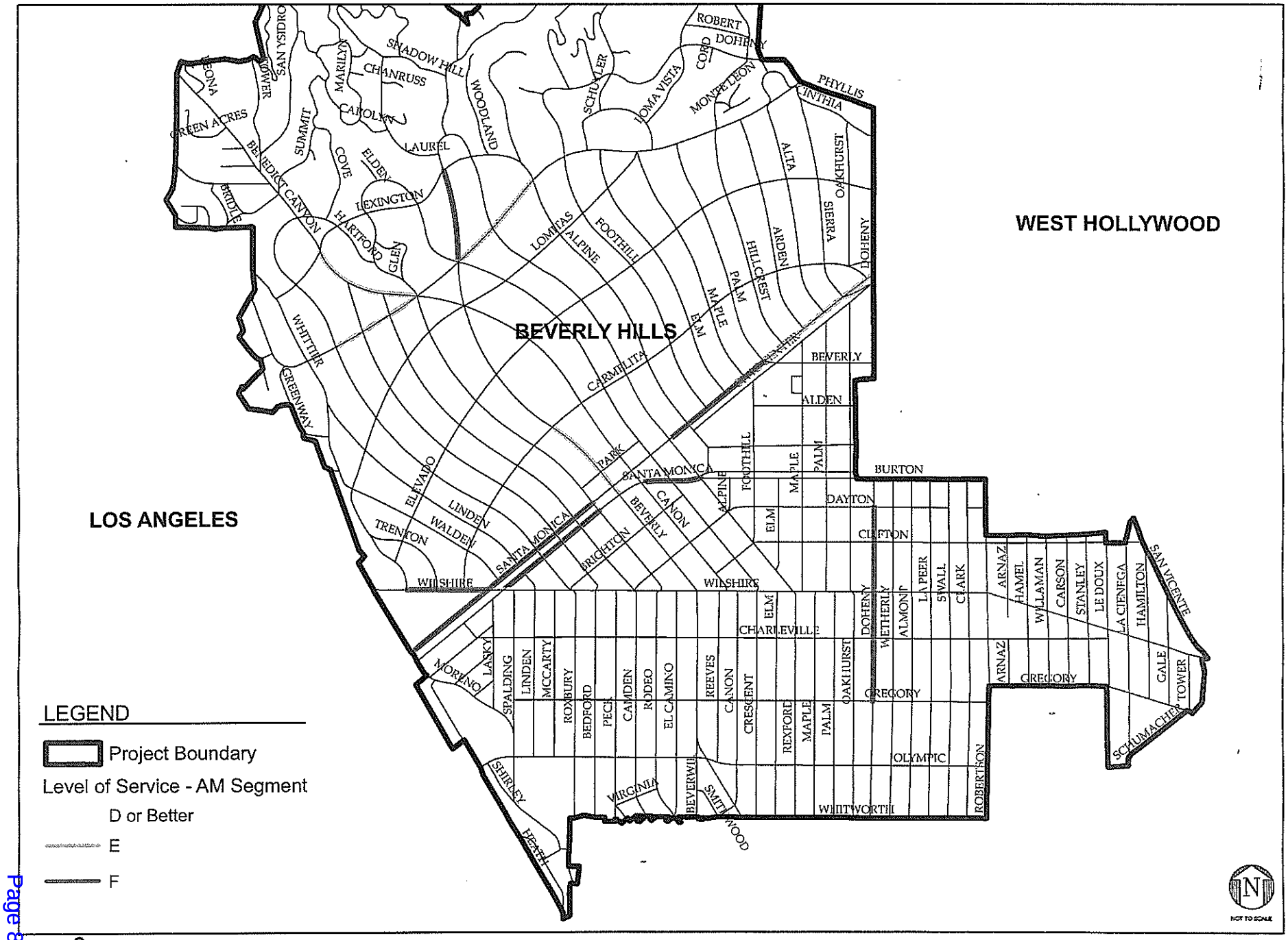
FIGURE D1



FEHR & PEERS
KAKU ASSOCIATES

ALTERNATIVE 1 - PM PERIOD

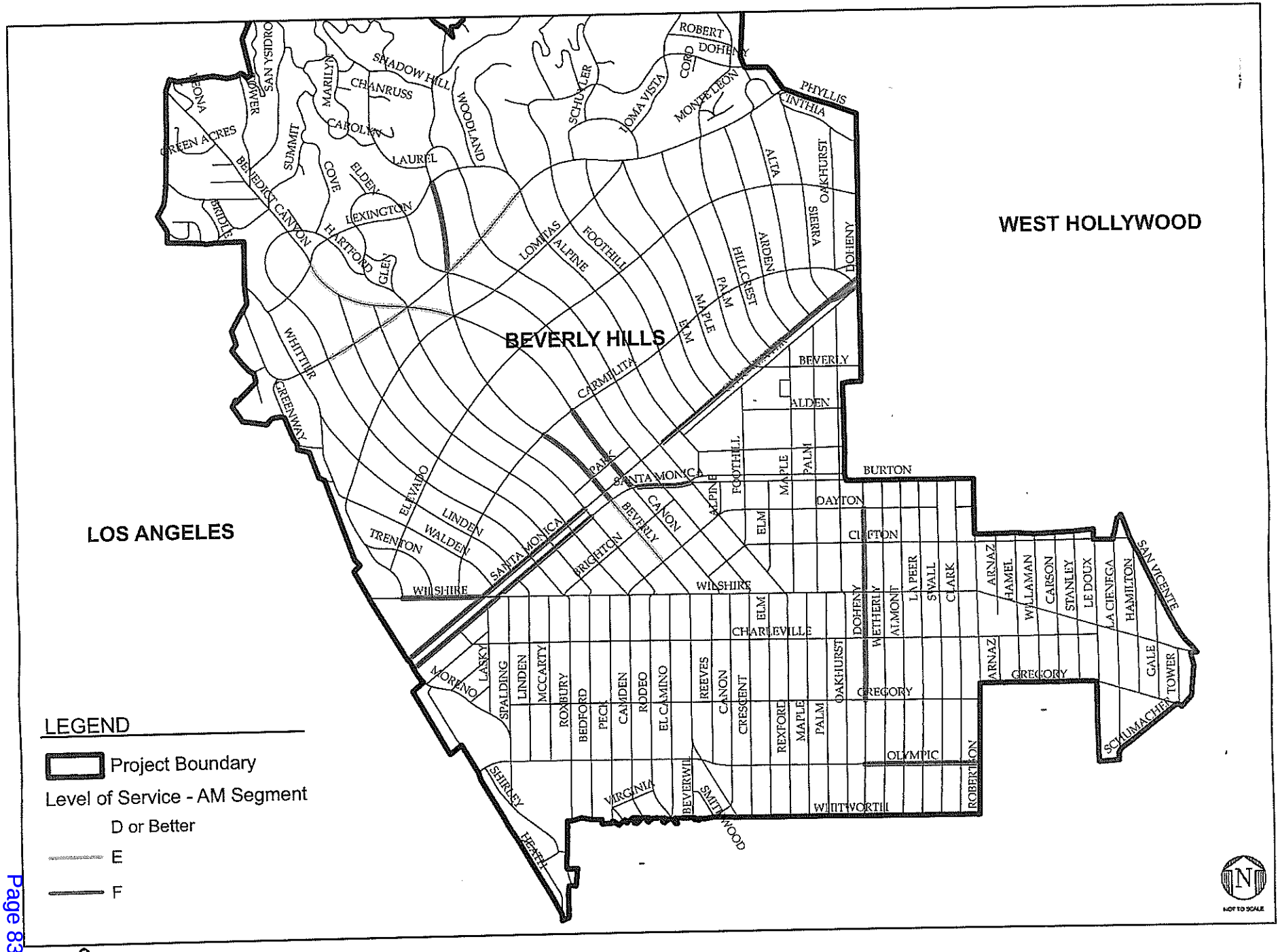
FIGURE D2



FEHR & PEERS
KAKU ASSOCIATES

ALTERNATIVE 2 - AM PERIOD

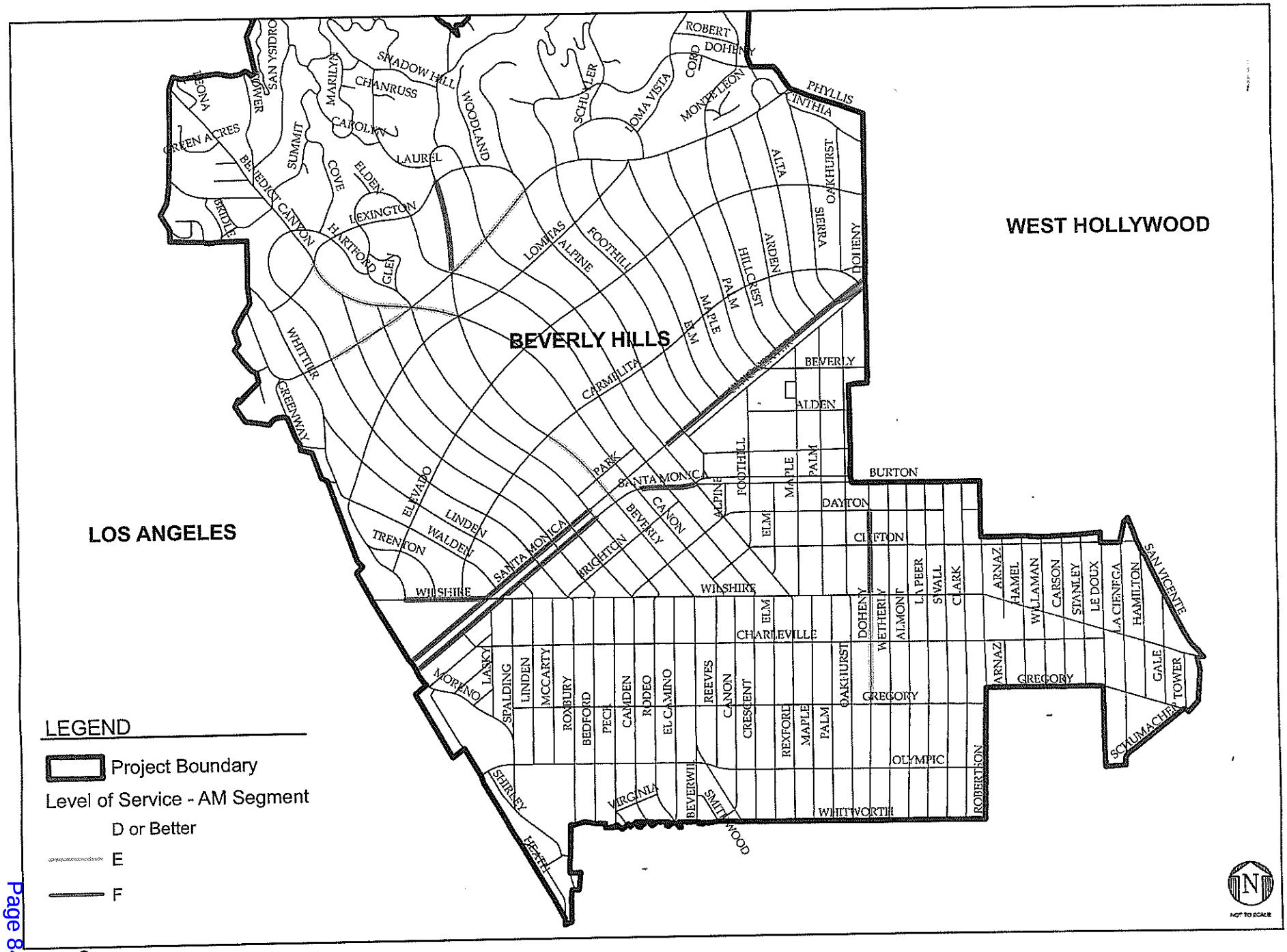
FIGURE D3



FEHR & PEERS
KAKU ASSOCIATES

ALTERNATIVE 2 - PM PERIOD

FIGURE D4

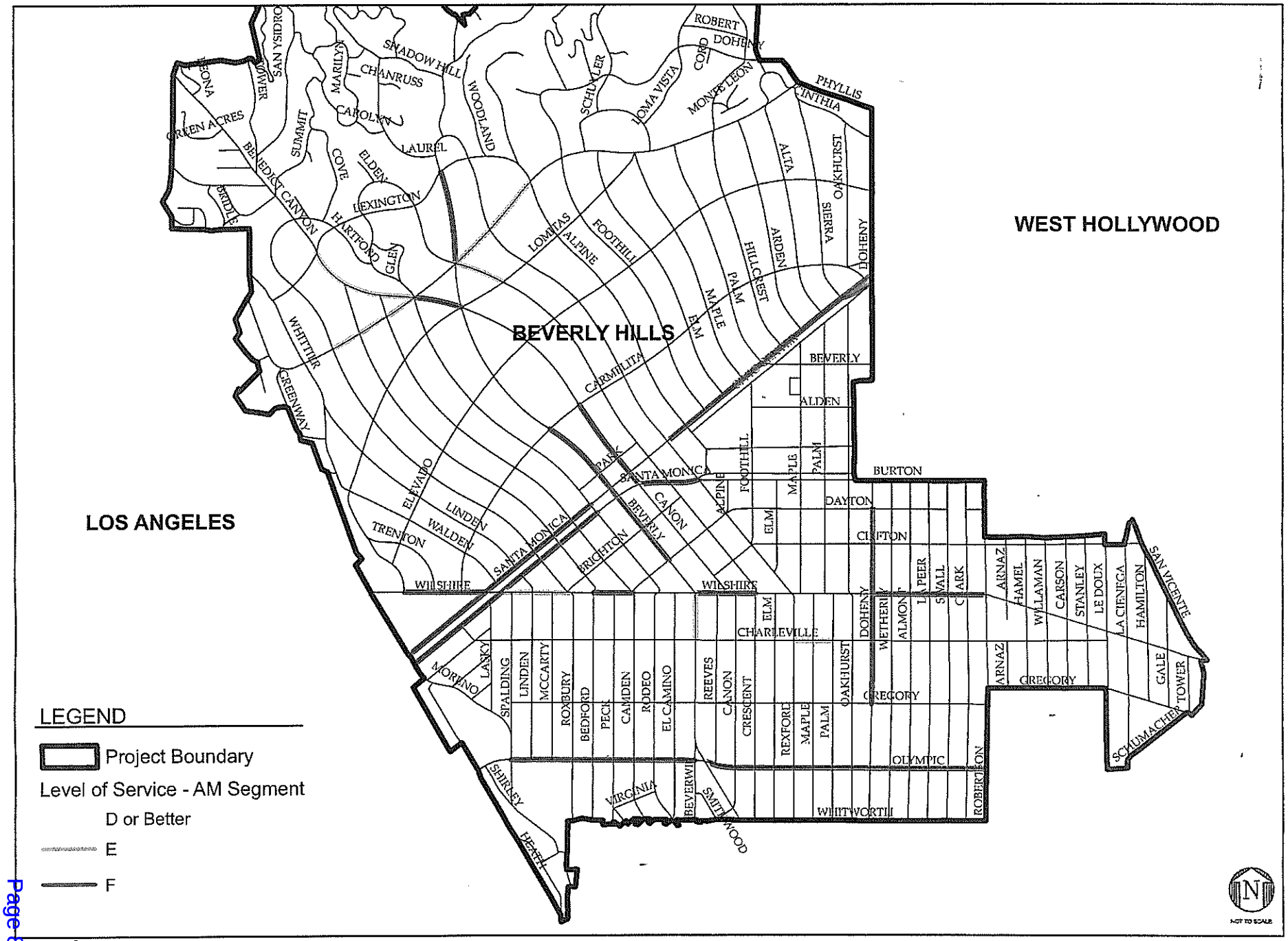


FEHR & PEERS
KAKU ASSOCIATES

ALTERNATIVE 3 - AM PERIOD

FIGURE D5

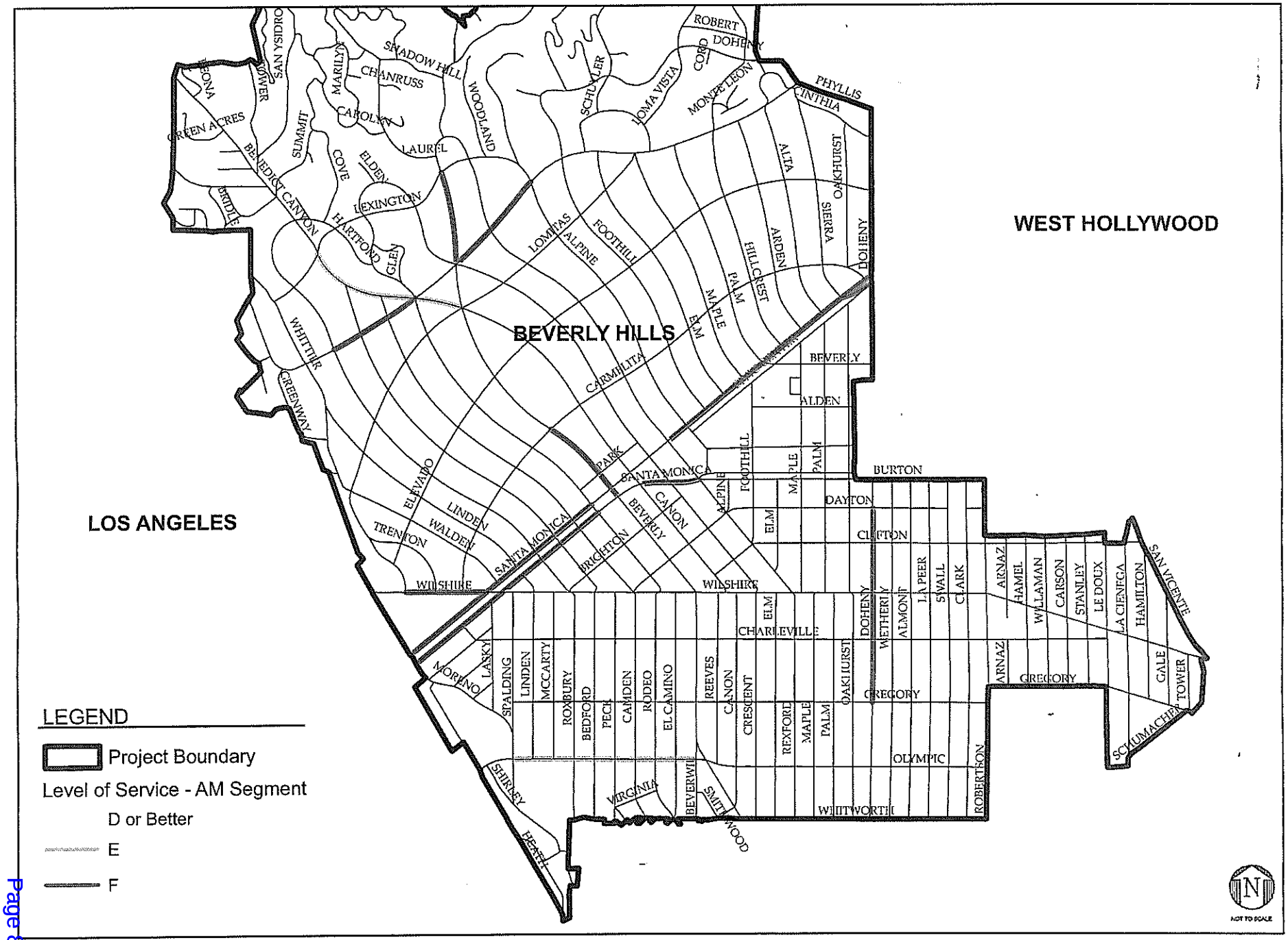
CBH - City Council Informal Meeting 01/29/2008



FEHR & PEERS
KAKU ASSOCIATES

ALTERNATIVE 3 - PM PERIOD

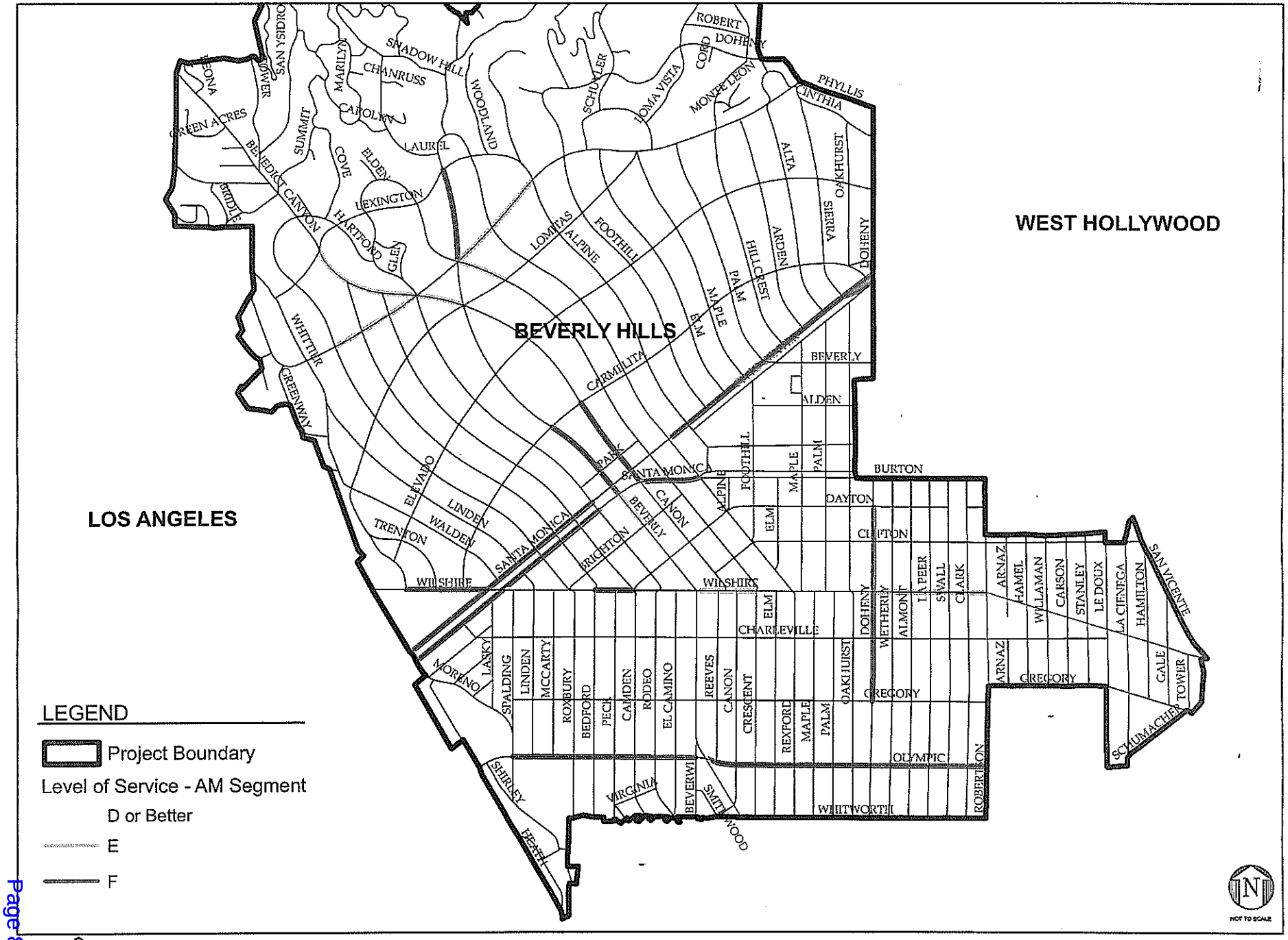
FIGURE D6



FEHR & PEERS
KAKU ASSOCIATES

PREFERRED ALTERNATIVE - AM PERIOD

FIGURE D7



FEHR & PEERS
KAKU ASSOCIATES

PREFERRED ALTERNATIVE - PM PERIOD

FIGURE D8

ATTACHMENT 6
Fiscal Analysis for Land Use Alternatives

KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
ROBERT J. WETMORE

LOS ANGELES
CALVIN E. HOLLIS, II
KATHLEEN H. HEAD
JAMES A. RABE
PAUL C. ANDERSON
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMEY

SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

MEMORANDUM

To: Woodie Tescher, Principal
Linda F. Tatum, Technical Director
PBS&J

From: Keyser Marston Associates, Inc.

Date: January 23, 2008

Subject: Beverly Hills General Plan Update - Fiscal Impact Analysis

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has evaluated the net annual fiscal impact on the City of Beverly Hills (City) General Fund to be generated by build-out of three General Plan alternatives. A summary of the alternatives analyzed in the fiscal analysis is as follows:

Net New Development	Alternative 2	Alternative 3	Alternative 4
Residential	1,529 units	1,101 units	1,221 units
Hotel	(47 rooms)	131 rooms	131 rooms
Commercial			
- Retail / Commercial	2,401,000 SF	4,577,000 SF	6,404,000 SF
- Office	(1,272,000 SF)	(474,000 SF)	308,000 SF
- Medical Office	(168,000 SF)	(37,000 SF)	(37,000 SF)
Total	961,000 SF	4,066,000 SF	6,675,000 SF
Institutional	(161,000 SF)	(161,000 SF)	(161,000 SF)

These alternatives were provided by PBS&J and represent net change incorporating new construction and demolition of existing structures. KMA has not independently evaluated the market or financial feasibility of the alternatives.

55 PACIFIC AVENUE MALL ➢ SAN FRANCISCO, CALIFORNIA 94111 ➢ PHONE: 415 398 3050 ➢ FAX: 415 397 5065

WWW.KEYSERMARSTON.COM

Approach and Key Assumptions

The fiscal impact analysis is a projection of the annual recurring fiscal revenues and expenses that the General Plan alternatives will generate to the City of Beverly Hills General Fund upon buildout. The projection is in current $2007 dollars and is based on revenue and cost factors derived from the City's adopted FY 2007-08 budget. The analysis excludes one-time revenues and fee for service revenues, such as building permit and impact fee revenues. Key assumptions incorporated into the analysis are as follows:

- Land use categories used in the General Plan are broad and inclusive; therefore, certain assumptions about the specific characteristics of new development were necessary. The retail / commercial category includes retail, service, professional offices, and entertainment and cultural uses. To project sales tax revenue, new retail /commercial space is assumed to be similar to existing commercial in Beverly Hills in terms of the mix of sales tax and non-sales tax generating businesses. The residential category includes both ownership and rental units; to estimate assessed value, the fiscal analysis assumes new units will be a mix of ownership and rental similar to the current ratio in the City. Commercial tenant categories are not known at the level of detail necessary to apply the City's business tax rate schedule; businesses taxes have been projected based on existing average business tax receipts per employee.

- Existing commercial space to be demolished is assumed to be equally productive in terms of the generation of City revenue as newly constructed space. This is a conservative assumption because it will tend to overstate the revenues lost when existing space is removed.

- Police, Fire, Community Services, Public Works, Community Development, and Administrative Services department expenses have been projected based upon the City's average cost to serve existing residents and workplace population.

- No additional parks or public facilities are contemplated as part of the General Plan alternatives based on information provided by PBS&J. Accordingly, the analysis does not incorporate marginal increases in General Fund operation and maintenance expenses for any new public facilities.

- Economic Development / Tourism expenses are funded exclusively from a portion of the City's transient occupancy tax (TOT) receipts and are assumed to vary with projected TOT revenue.

- The land use alternatives analyzed in this fiscal impact analysis have been provided by PBS&J. KMA has not evaluated the market or financial feasibility of the alternatives. The revenue estimates contained in this analysis are based on the assumption that the alternatives are feasible and achieve values consistent with the currently strong market in Beverly Hills.

The technical analysis is presented in the attached detail tables. Additional assumptions are noted in the tables.

Findings

Annual General Fund Impact Upon Build-out

Recurring positive net annual revenues to the City's General Fund are projected upon build-out of each of the three General Plan alternatives. The projected net incremental annual revenues are as follows:

	Alternative 2	**Alternative 3**	**Alternative 4**
Marginal Annual General Fund Revenue	$9.3 million	$23.7 million	$34.5 million
(Less) Marginal Annual General Fund Expense	($4.6 million)	($6.3 million)	($9.3 million)
Net Marginal Annual General Fund Revenue	$4.7 million	$17.4 million	$25.2 million

Amounts are expressed in terms of marginal impact, or the net change from the existing revenues and expenses.

A key driver of projected surpluses is sales tax generated by net new retail / commercial space which ranges from 2.4 million square feet in Alternative 2 to 6.4 million square feet in Alternative 4. Sales tax accounts for between 59% and 83% of projected revenues. Estimates assume new space will be similar to existing commercial space in terms of: a) ratio of sales tax producing space to non-sales tax producing space; and b) average sales productivity levels. This assumption is critical to the findings of the analysis because retail/ commercial is a broad land use category which includes uses which do not generate sales tax. If this assumption does not hold, the findings of the analysis will not be valid.

Major Revenue Sources and Expense Categories

The revenue and expense estimates are presented in Table 2. The most significant sources of General Fund revenues are: sales tax; business tax; property taxes; and transient occupancy tax. The relative importance of each varies among alternatives:

- In Alternative 2, sales tax is approximately 83% of total revenue and property tax is 23%; business tax and transient occupancy tax are projected to decrease due to net reductions in employment and the number of hotel rooms.
- In Alternative 3, sales tax is anticipated to account for approximately 62% of General Fund revenue, business taxes 17%, property tax 13%, and transient occupancy tax 7%.
- With Alternative 4, sales tax is projected to account for 59% of General Fund revenue, business taxes 21%, property tax 13%, and transient occupancy tax 5%.

The key expense categories include: police protection, fire protection, and community services (which covers park and recreation facilities, recreation and sports programs, libraries, and cultural events). Projected marginal expenses are as follows:

	Alternative 2	Alternative 3	Alternative 4
Police Protection	$2.0 million	$3.2 million	$4.9 million
Fire Protection	$1.1 million	$1.7 million	$2.6 million
Community Services	$1.4 million	$0.9 million	$1.0 million
All Other Expenses	$0.1 million	$0.6 million	$0.8 million
Total	$4.7 million	$6.3 million	$9.3 million

A series of technical tables are attached:

Table 1 General Plan Alternatives – Net Change
Table 2 Projected Annual Marginal General Fund Impacts
Table 3 Existing Population and Employment
Table 4 Population and Employment Estimates
Table 5A General Fund Revenue Source Assumptions
Table 5B Annual General Fund Revenues
Table 5C Projection of Annual General Fund Transfer Tax Revenue
Table 5D Projection of Annual General Fund Revenues
Table 6A General Fund Operating Expenses Assumptions
Table 6B Annual General Fund Expenses
Table 6C Projection of Annual General Fund Expenses
Appendix Tables

FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

Table 1

GENERAL PLAN ALTERNATIVES - NET CHANGE
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	GENERAL PLAN ALTERNATIVES									
	NEW			DEMOLISH			NET CHANGE			
	ALT 2	ALT 3	ALT 4	ALT 2	ALT 3	ALT 4	ALT 2	ALT 3	ALT 4	
RESIDENTIAL [1]										
Muti-family (ownership & rental)	1,627	599	719	(98)	(98)	(98) [2]	1,529	501	621	Units
Senior (ownership & rental)	0	600	600	0	0	0	0	600	600	Units
Total Residential	1,627	1,199	1,319	(98)	(98)	(98)	1,529	1,101	1,221	Units
HOTEL	170	131	131	(217)	0	0	(47)	131	131	Rooms
COMMERCIAL [3]										
Retail / Commercial [4]	4,934,000	7,575,000	9,402,000	(2,533,000)	(2,998,000)	(2,998,000)	2,401,000	4,577,000	6,404,000	Sq.Ft.
Office	235,000	651,000	1,433,000	(1,507,000)	(1,125,000)	(1,125,000)	(1,272,000)	(474,000)	308,000	Sq.Ft.
Medical Office	19,000	150,000	150,000	(187,000)	(187,000)	(187,000)	(168,000)	(37,000)	(37,000)	Sq.Ft.
Total Commercial	5,188,000	8,376,000	10,985,000	(4,227,000)	(4,310,000)	(4,310,000)	961,000	4,066,000	6,675,000	Sq.Ft.
INSTITUTIONAL (tax exempt)	0	0	0	(161,000)	(161,000)	(161,000)	(161,000)	(161,000)	(161,000)	Sq.Ft.

KMA has not independantly evaluated the market or financial feasibility of these General Plan alternatives. Existing development to be-demolished is conservatively assumed to be equally productive as new development in terms of generation of sales tax, property tax, and other revenues.

Notes:

[1] The General Plan alternatives do not identify whether new residential units are owner-occupied or rental. The analysis assumes there will be a mix of owner and rental-occupied units similar to the current mix in the City of Beverly Hills.

[2] Includes two single family units to be demolished.

[3] PBS&J has indicated that commercial square footage was estimated primarily on the basis of building envelope and the predominant uses envisioned for each sub-area. Therefore, the allocation of commercial building square footage among use categories is not precise. In addition, the categories are broad; for example, the "retail / commercial" designation includes retail establishments as well as professional offices, entertainment, and cultural uses.

[4] Including Theater and Night Club uses.

Source: PBS&J 8.31.2007

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 2

PROJECTED ANNUAL MARGINAL GENERAL FUND IMPACTS
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	ANNUAL MARGINAL GENERAL FUND REVENUE / EXPENSE IMPACT AT BUILDOUT					
	ALT 2	% OF TOTAL	ALT 3	% OF TOTAL	ALT 4	% OF TOTAL
RECURRING GENERAL FUND REVENUES						
Sales Tax	$7,683,000	83%	$14,646,000	62%	$20,493,000	59%
Business Tax	($124,000)	-1%	$3,934,000	17%	$7,326,000	21%
Property Tax	$2,113,000	23%	$3,095,000	13%	$4,457,000	13%
Transient Occupancy Tax	($630,000)	-7%	$1,757,000	7%	$1,757,000	5%
Property Tax In-Lieu of VLF	$193,000	2%	$283,000	1%	$407,000	1%
Property Transfer Tax	$32,000	0%	$15,000	0%	$18,000	0%
Vehicle License Fees	$22,000	0%	$14,000	0%	$16,000	0%
TOTAL	**$9,289,000**	**100%**	**$23,744,000**	**100%**	**$34,474,000**	**100%**
RECURRING GENERAL FUND EXPENSES						
Police	$2,029,000	44%	$3,179,000	50%	$4,941,000	53%
Fire	$1,077,000	23%	$1,687,000	27%	$2,623,000	28%
Community Services	$1,363,000	30%	$865,000	14%	$972,000	10%
Public Works	$167,000	4%	$261,000	4%	$406,000	4%
Economic Development / Tourism	($90,000)	-2%	$251,000	4%	$251,000	3%
Community Development	$34,000	1%	$54,000	1%	$84,000	1%
Administrative Services	$19,000	0%	$30,000	0%	$46,000	0%
TOTAL	**$4,599,000**	**100%**	**$6,327,000**	**100%**	**$9,323,000**	**100%**
NET ANNUAL MARGINAL GENERAL FUND REVENUE (NET CHANGE FROM EXISTING)	**$4,690,000**		**$17,417,000**		**$25,151,000**	

Source of program assumptions: PBS&J 8/31/07. KMA has not independantly evaluated the market or financial feasibility of the General Plan alternatives.

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 3

EXISTING POPULATION AND EMPLOYMENT
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	POPULATION [1]	EMPLOYMENT [2]	RESIDENTIAL EQUIVALENTS	DAY & NIGHTTIME POPULATION [3]
			0.35 per employee 1.00 per resident	
CITY OF BEVERLY HILLS	36,084	75,159	62,390	111,243

Notes:

[1] State of California, Department of Finance, E-1 City/County Population Estimates, with Annual Percent Change, January 1, 2006 and 2007. Sacramento, California, May 2007. 1/1/07 Estimate.

[2] Claritas 2005

[3] Population + Employment

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

CBH - City Council Informal Meeting 01/29/2008

Table 4

POPULATION AND EMPLOYMENT ESTIMATES
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	BASIS				MEASURE		TOTAL		
	ALT 2	ALT 3	ALT 4				ALT 2	ALT 3	ALT 4
POPULATION					household size:				
RESIDENTIAL UNITS									
Muti-family	1,529	501	621	Units	2.30	1	3,517	1,152	1,428
Senior	0	600	600	Units	1.80	1	0	1,080	1,080
TOTAL							**3,517**	**2,232**	**2,508**
EMPLOYMENT					employment density: [2]				
HOTEL	(47)	131	131	Rooms	1.00		(47)	131	131
COMMERCIAL									
Retail / Commercial	2,401	4,577	6,404	Sq. Ft. (1000s)	2.50		6,003	11,443	16,010
Office	(1,272)	(474)	308	Sq. Ft. (1000s)	4.00		(5,088)	(1,896)	1,232
Medical Office	(168)	(37)	(37)	Sq. Ft. (1000s)	3.00		(504)	(111)	(111)
INSTITUTIONAL	(161)	(161)	(161)	Sq. Ft. (1000s)	4.00		(644)	(644)	(644)
TOTAL							**(281)**	**8,923**	**16,618**
RESIDENT EQUIVALENTS					1 per resident 0.35 per employee		**3,419**	**5,355**	**8,325**
DAY AND NIGHTTIME POPULATION					population + employment		**3,236**	**11,155**	**19,126**

Notes:
[1] Based on U.S. Census 2000 for the City of Beverly Hills. Average of rental and owner-occupied units.
[2] Estimated by KMA

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 5 - A

GENERAL FUND REVENUE SOURCE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

Property Taxes	15.714%	City share of 1% property tax [1]
		Estimated assessed value added
Property Transfer Tax [2]	$0.55	per $1,000 of AV at transfer
	43%	% owner-occupied units (based on U.S. Census)
	12.50%	Annual turnover of owner-occupied multi-family units
	6.25%	Annual turnover of owner-occupied senior units
Sales Tax, City's Portion [3]	$1,616,585	Taxable retail sales in 2005 ($000s) [4]
	4,034,493	Existing retail / commercial SF (per PBS&J)
	$400	Taxable sales per SF of existing retail / commercial
	80%	Percent net new sales
	1%	Local share of sales tax
	$3.20	Sales tax per sq.ft. of new retail / commercial
Vehicle License Fee (VLF) [5]	$226,415	Revenues for 2004-05
	35,699	Residents in 2004 [6]
	$6.34	Per Resident
Property Tax In-Lieu of VLF [5]	$2,027,477	Revenues for 2004-05
	$14,116,538,548	2004-05 Beverly Hills gross AV
	$0.14	Per $1,000 in AV
Business Taxes [7]	$33,135,000	Revenues for 2007-08
	75,159	Existing employment
	$440.87	Per Employee
Transient Occupancy Tax	$350	Average Room Rate [8]
	75%	Occupancy
	14%	Tax Rate [9]
	$13,410	TOT Revenue Per Room

Notes:

[1] Conservative assumption based on the tax rate area with the lowest City share of property tax (range is 15.7% to 18.1%).

[2] Calculated on turnover of owner-occupied residential units. Commercial property assumed to be subject to extensive hold periods.

[3] "Retail / commercial" space includes both sales-tax generating and non-sales tax generating businesses. Sales tax is projected based on a blended estimate of taxable retail sales per square foot of "retail / commercial" based on existing taxable retail sales and existing "retail / commercial" square footage in Beverly Hills. Estimates may not be accurate if new retail / commercial space does not have a distribution of sales tax and non-sales tax generating uses simlar to the existing space in Beverly Hills.

[4] Per the California State Board of Equalization. 2005 is the most recent year available.

[5] Estimated in accordance with SB 1096. 2004-05 is the base year established in the law for allocation of this revenue.

[6] State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark. Sacramento, California, May 2007.

[7] Business taxes are generally levied on a per employee or gross receipts basis and are therefore projected to grow proportional to employment growth. Tax rates vary by type of business; however, the types of businesses within the new commercial space are not known with the level of specificity required to apply the appropriate tax rates.

[8] Based on the average daily room rate for existing hotels in Beverely Hills in 2006 per Burr Consulting.

[9] City of Beverly Hills Municipal Code.

Source: City of Beverly Hills. Budget for the Fiscal Year 2007-2008. See Appendix A-1.

Table 5 - B

ANNUAL GENERAL FUND REVENUES [1]
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	BASIS				MEASURE [2]		GENERAL FUND REVENUE		
	ALT 2	ALT 3	ALT 4				ALT 2	ALT 3	ALT 4
GENERAL FUND REVENUES [1]									
PROPERTY TAX	$1,344,500	$1,969,800	$2,836,500	AV added ($000s) [3]	1% 15.714%	Tax Rate City Share	$2,113,000	$3,095,000	$4,457,000
SALES TAX	2,401,000	4,577,000	6,404,000	retail/commercial SF	$3.20	per Sq.Ft.	$7,683,000	$14,646,000	$20,493,000
BUSINESS TAX	(281)	8,923	16,618	employees	$440.87	Per Employee	($124,000)	$3,934,000	$7,326,000
VEHICLE LICENSE FEE	3,517	2,232	2,508	residents	$6.34	Per Resident	$22,000	$14,000	$16,000
PROPERTY TAX IN-LIEU OF VLF	$1,344,500	$1,969,800	$2,836,500	AV added ($000s) [3]	$0.144	per $1,000 in AV	$193,000	$283,000	$407,000
TRANSIENT OCCUPANCY TAX	(47)	131	131	Hotel Rooms	$13,410	TOT per room	($630,000)	$1,757,000	$1,757,000
TOTAL GENERAL FUND REVENUES [1]							$9,257,000	$23,729,000	$34,456,000

Notes:
[1] Except property transfer tax, calculated separately.
[2] See Table 5 - A
[3] See Appendix A-3

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 5 - C

PROJECTION OF ANNUAL GENERAL FUND TRANSFER TAX REVENUE
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	ASSESSED VALUE (000s) [1]			PERCENT OWNER OCCUPIED [2]	TURNOVER ASSUMPTION (OWNER-OCCUPIED)	TURNOVER OF AV (000s)			TRANSFER TAX RATE[3]	GENERAL FUND REVENUE		
	ALT 2	ALT 3	ALT 4			ALT 2	ALT 3	ALT 4		ALT 2	ALT 3	ALT 4
PROPERTY TRANSFER TAX REVENUE [4]												
RESIDENTIAL												
Muti-family (ownership & rental)	$1,070,300	$350,700	$434,700	43%	12.50%	$57,529	$18,850	$23,365	$0.55	$32,000	$10,000	$13,000
Senior (ownership & rental)	$0	$360,000	$360,000	43%	6.25%	$0	$9,675	$9,675	$0.55	$0	$5,000	$5,000
TOTAL	**$1,070,300**	**$710,700**	**$794,700**			**$57,529**	**$28,525**	**$33,040**		**$32,000**	**$15,000**	**$18,000**

Notes:
[1] See Appendix A -3
[2] Based on U.S. Census 2000 percentage of owner-occupied units.
[3] Per Beverly Hills Municipal Code.
[4] Commercial property is assumed to be subject to extensive hold periods and has therefore been excluded from annual transfer tax calculations.

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 5 - D

PROJECTION OF ANNUAL GENERAL FUND REVENUES
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	TOTAL AT BUILDOUT		
	ALT 2	ALT 3	ALT 4
RECURRING GENERAL FUND REVENUES			
Sales Tax	$7,683,000	$14,646,000	$20,493,000
Business Tax	($124,000)	$3,934,000	$7,326,000
Property Tax	$2,113,000	$3,095,000	$4,457,000
Transient Occupancy Tax	($630,000)	$1,757,000	$1,757,000
Property Tax In-Lieu of VLF	$193,000	$283,000	$407,000
Property Transfer Tax	$32,000	$15,000	$18,000
Vehicle License Fees	$22,000	$14,000	$16,000
TOTAL	**$9,289,000**	**$23,744,000**	**$34,474,000**

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 6 - A

GENERAL FUND OPERATING EXPENSES ASSUMPTIONS [1]
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

Administrative Services	$464,331	Expenses in 2007/08
	75%	Percent Variable Costs
	62,390	Resident Equivalents [2]
	$5.58	Per Resident Equivalent
Police	$49,379,269	Expenses in 2007/08
	75%	Percent Variable Costs
	62,390	Resident Equivalents [2]
	$593.60	Per Resident Equivalent
Fire	$26,207,853	Expenses in 2007/08
	75%	Percent Variable Costs
	62,390	Resident Equivalents [2]
	$315.05	Per Resident Equivalent
Community Development	$836,235	Expenses in 2007/08
	75%	Percent Variable Costs
	62,390	Resident Equivalents [2]
	$10.05	Per Resident Equivalent
Community Services	$32,245,110	Expenses in 2007/08
	75%	Percent Variable Costs
	62,390	Residents
	$387.63	Per Resident
Public Works	$4,058,987	Expenses in 2007/08
	75%	Percent Variable Costs
	62,390	Resident Equivalents [2]
	$48.79	Per Resident Equivalent
Economic Development / Tourism	14.29%	of projected TOT (2% of the City's 14% TOT rate)

Notes:
[1] For City service departments.
[2] Resident Equivalent = 0.35 per Employee.

Source: City of Beverly Hills. Budget for the Fiscal Year 2007-2008. See Appendix A - 2.

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 6 - B

ANNUAL GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	BASIS				MEASURE [1]		TOTAL		
	ALT 2	ALT 3	ALT 4				ALT 2	ALT 3	ALT 4
GENERAL FUND EXPENSES									
Administrative Services	3,419	5,355	8,325	resident equivalents	$5.58	per resident equiv.	$19,000	$30,000	$46,000
Police	3,419	5,355	8,325	resident equivalents	$593.60	per resident equiv.	$2,029,000	$3,179,000	$4,941,000
Fire	3,419	5,355	8,325	resident equivalents	$315.05	per resident equiv.	$1,077,000	$1,687,000	$2,623,000
Community Development	3,419	5,355	8,325	resident equivalents	$10.05	per resident equiv.	$34,000	$54,000	$84,000
Community Services	3,517	2,232	2,508	residents	$387.63	per resident	$1,363,000	$865,000	$972,000
Public Works	3,419	5,355	8,325	resident equivalents	$48.79	per resident equiv.	$167,000	$261,000	$406,000
Economic Development / Tourism	(630,000)	1,757,000	1,757,000	projected TOT	14.29%	of projected TOT	($90,000)	$251,000	$251,000
TOTAL GENERAL FUND EXPENSES							**$4,599,000**	**$6,327,000**	**$9,323,000**

Notes:
[1] See Table 6 - A

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Table 6 - C

PROJECTION OF ANNUAL GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	TOTAL		
	ALT 2	ALT 3	ALT 4
RECURRING GENERAL FUND EXPENDITURES			
Police	$2,029,000	$3,179,000	$4,941,000
Fire	$1,077,000	$1,687,000	$2,623,000
Community Services	$1,363,000	$865,000	$972,000
Public Works	$167,000	$261,000	$406,000
Economic Development / Tourism	($90,000)	$251,000	$251,000
Community Development	$34,000	$54,000	$84,000
Administrative Services	$19,000	$30,000	$46,000
TOTAL	**$4,599,000**	**$6,327,000**	**$9,323,000**

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

APPENDIX

Appendix A - 1

SUMMARY OF GENERAL FUND REVENUE SOURCES [1]
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	ADOPTED BUDGET 2007-08	COMMENTS / ASSUMPTIONS
REVENUES INCLUDED IN ANALYSIS		
Property Taxes	$33,201,230	Property taxes projected based on development program
Sales Taxes	$25,608,000	Projected based on retail square footage
Business Tax	$33,135,000	Project based on employment
Subventions and Grants	$1,445,030	VLF projected based on increases in Assessed Valuation
TOT - General	$20,089,000	Project based on new hotel rooms and 12% hotel tax
TOT - Tourism/Promotions	$3,406,500	Project based on new hotel rooms and 2% hotel tax
Total	$116,884,760	

PROGRAM REVENUE AND COST RECOVERY CHARGES DEDUCTED FROM SERVICE COSTS

Administrative Services Department	
Licenses and Permits	$191,000
Police Department	
Subventions and Grants	$3,000
Fines and penalties	$800,000
Charges for current service	$1,610,940
Miscellaneous revenues	$12,000
Transfers from other funds	$4,500
	$2,430,440
Fire Department	
Licenses and Permits	$5,000
Charges for current service	$2,732,910
Miscellaneous revenues	$100,000
	$2,837,910
Community Development Department	
Licenses and Permits	$8,442,181
Fines and penalties	$12,020
Charges for current service	$1,640,760
Use of money and property	$40,820
Miscellaneous revenues	$51,650
	$10,187,431

Appendix A - 1

SUMMARY OF GENERAL FUND REVENUE SOURCES [1]
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	ADOPTED BUDGET 2007-08	COMMENTS / ASSUMPTIONS
Public Works Department		
Licenses and Permits	$1,657,220	
Fines and penalties	$5,894,980	
Charges for current service	$2,574,700	
Use of money and property	$2,640	
Miscellaneous revenues	$1,585	
	$10,131,125	
Community Services Department		
Subventions and Grants	$212,000	
Licenses and Permits	$565,000	
Charges for current service	$3,212,055	
Use of money and property	$324,500	
Miscellaneous revenues	$5,500	
	$4,319,055	
Total	$30,096,961	

REVENUES EXCLUDED FROM THE ANALYSIS

Use of money and property	$7,555,950	Non-Departmental / Independent of development scenarios
Miscellaneous revenues	$4,861,780	Non-Departmental / Independent of development scenarios
Transfers from other funds	$1,500	Non-Departmental / Independent of development scenarios
Other Taxes	$1,569,915	One time tax revenue or independent of development scenarios
Total	$13,989,145	
Total Revenues	**$160,970,866**	

Notes:
[1] For funding City departmental services

Source: City of Beverly Hills. Adopted Budget for the Fiscal Year 2007-2008.

Appendix A - 2

SUMMARY OF GENERAL FUND BUDGET EXPENDITURES
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	ADOPTED 2007-08 BUDGET	(LESS) PROGRAM REVENUE [1]	NET GENERAL FUND EXPENSE	
Administrative Services	$655,331	($191,000)	$464,331	
Police	$51,809,709	($2,430,440)	$49,379,269	
Fire	$29,045,763	($2,837,910)	$26,207,853	
Community Development	$11,023,666	($10,187,431)	$836,235	
Public Works	$14,190,112	($10,131,125)	$4,058,987	
Community Services	$36,564,165	($4,319,055)	$32,245,110	
Non-Departmental	$8,129,290	$0	$8,129,290	Indpdt of dvpmt scenarios
Debt Service Payments (1998 Lease Rev. Bonds)	$1,532,910	$0	$1,532,910	capital item - exclude
Transfers Out (1998 Lease Rev. Bonds)	$3,500,000	$0	$3,500,000	capital item - exclude
Holiday Program	$750,000	$0	$750,000	Indpdt of dvpmt scenarios
Economic Development	$3,371,054	$0	$3,371,054	2% of 14% TOT rate
	$160,572,000	($30,096,961)	$130,475,039	

Notes:
[1] See Appendix Table A - 1.

Source: City of Beverly Hills. Adopted Budget for the Fiscal Year 2007-2008

PREPARED BY: KEYSER MARSTON ASSOCIATES, INC.
FILENAME: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

Appendix A - 3

ASSESSED VALUE ADDED
FISCAL IMPACT ANALYSIS
GENERAL PLAN UPDATE
CITY OF BEVERLY HILLS, CA

	BASIS				AV ADDED	ASSESSED VALUE ADDED ($000s)		
	ALT 2	ALT 3	ALT 4		PER UNIT OR SF [1]	ALT 2	ALT 3	ALT 4
RESIDENTIAL								
Muti-family □(owners	1,529	501	621	Units	$700,000 [2]	$1,070,300	$350,700	$434,700
Senior □(ownership &	0	600	600	Units	$600,000 [3]	$0	$360,000	$360,000
HOTEL	(47)	131	131	Rooms	$300,000	($14,100)	$39,300	$39,300
COMMERCIAL	961,000	4,066,000	6,675,000	SF	$300	$288,300	$1,219,800	$2,002,500
INSTITUTIONAL	(161,000)	(161,000)	(161,000)	SF	assume exempt	$0	$0	$0
TOTAL						$1,344,500	$1,969,800	$2,836,500

Notes:

[1] Estimate of average assessed value. Valuations for individual properties will vary substantially from these assumptions. Existing buildings that are demolished are conservatively assumed to have approximately the same valuation per unit or square foot as new buildings.

[2] Estimated assuming 50% rental and 50% for-sale and an average condo AV of approx. $1 M and average rental unit AV of approx. $450,000 based on average valuation for recently constructed units at 130 N Swall Drive, 143 Arnaz Dr, and 155 N Crescent.

[3] Estimated assuming approximately half of units are rental or nursing home units and half are for-sale condominium units with average assessed values of $250,000 and $1M per unit respectively based on average valuation for recently constructed units at 130 N Swall Drive, 143 Arnaz Dr, and 203 N Crescent.

[4] Estimated based on Marshall and Swift valuation service and the AV for several newer commercial buildings in Beverly Hills.

Prepared by Keyser Marston Associates, Inc.
Filename: \\Sf-fs1\wp\12\12062\006\BH_GP_Fiscal 10 26 07.xls; 1/23/2008; dd

ATTACHMENT 7
Economic Sustainability Background Report and Summary Report

Report to the City of Beverly Hills

Economic Sustainability Background Report

Prepared by MuniServices and Burr Consulting

January 22, 2008

MuniServices
7335 N. Palm Bluffs Ave
Fresno, CA 93711
(800) 800-8181
www.muniservices.com

TABLE OF CONTENTS

PREFACE ..... **III**

EXECUTIVE SUMMARY **1**

1. ECONOMY AND GROWTH **6**

ECONOMIC OVERVIEW 6
ECONOMIC COMMUNITIES 10
INDUSTRY CLUSTERS 13

2. FISCAL TRENDS **33**

GENERAL FUND REVENUES 33
REVENUE BY LAND USE 43
EXPENDITURES 44
EMPLOYEE BENEFIT COSTS 45
FISCAL SCENARIOS 47

APPENDIX **50**

REFERENCES **56**

BOOKS, ARTICLES AND REPORTS 56
DATA SOURCES 58

LIST OF TABLES & FIGURES

TABLE 1-1: JOBS PER HOUSING UNIT IN BEVERLY HILLS AND OTHER CITIES, 2005 6
TABLE 1-2: PERCENT OF ESTABLISHMENTS AND WORKFORCE BY BUSINESS SIZE, 2006 7
TABLE 1-3: BEVERLY HILLS ECONOMY AND JOB GROWTH, 2001-6 8
FIGURE 1-4: INDUSTRY SYNERGIES – SUPPLIER RELATIONS 9
FIGURE 1-5: INDUSTRY SYNERGIES – COMPLEMENTARY CUSTOMER BASES 10
FIGURE 1-6: BEVERLY HILLS ECONOMIC COMMUNITIES MAP 11
TABLE 1-7: BEVERLY HILLS ECONOMIC COMMUNITY PROFILES, 2006 12
TABLE 1-8: BEVERLY HILLS INDUSTRY ACTIVITY BY TYPE OF SPACE, 2006 14
TABLE 1-9: OFFICE-BASED EMPLOYMENT GROWTH, 2001-6 15
TABLE 1-10: ENTERTAINMENT CLUSTER: KEY BUSINESSES, 2006 16
TABLE 1-11: FINANCE CLUSTER KEY BUSINESSES, 2006 17
TABLE 1-12: PROFESSIONAL SERVICES CLUSTER KEY BUSINESSES, 2006 18
TABLE 1-13: REAL ESTATE CLUSTER KEY BUSINESSES, 2006 19
FIGURE 1-14: OFFICE SPACE SQUARE FOOTAGE BY CLASS, 2007 22
FIGURE 1-15: MEDIAN BUILDING HEIGHT BY CLASS, 2007 22
FIGURE 1-16: OFFICE SPACE SQUARE FOOTAGE BY BUILDING AGE, 2007 23
FIGURE 1-17: MONTHLY RENT PER SQUARE FOOT, 2007 24
FIGURE 1-18: AVERAGE OFFICE VACANCY RATES, 1996-2007 24
TABLE 1-19: RETAIL JOB GROWTH, 2001-6 25
TABLE 1-20: LUXURY RETAIL CLUSTER KEY BUSINESSES, 2006 26
TABLE 1-21: RETAIL MONTHLY RENTS BY AREA, 2007 29
TABLE 1-22: TOURISM/SERVICES CLUSTER KEY BUSINESSES, 2006 30
FIGURE 1-23: HOTEL RATES IN BEVERLY HILLS AND NEARBY CITIES, 2006-7 31
TABLE 1-24: TOURISM INDUSTRY JOB GROWTH, 2001 TO 2006 31
FIGURE 2-1: PROPERTY TAX REVENUE, FY 88 – FY 07 33
FIGURE 2-2: PROPERTY TAX REVENUE GROWTH, FY 89 – FY 07 33
FIGURE 2-3: ASSESSED VALUE GROWTH RATE AND PROJECTIONS, FY 89- FY 13 34
FIGURE 2-4: SALES TAX REVENUE, FY 88 – FY 07 35
FIGURE 2-5: BEVERLY HILLS SALES TAX GROWTH, FY 88 – FY 07 35
FIGURE 2-6: SALES GROWTH RATE AND PROJECTION, FY 89 – FY 13 36
FIGURE 2-7: HOTEL TAX REVENUE ($ MILLIONS), FY 88 – FY 07 38
FIGURE 2-8: HOTEL TAX REVENUE GROWTH, FY 88 – FY 07 38
FIGURE 2-9: HOTEL TAX TREND AND PROJECTION 39
FIGURE 2-10: BUSINESS TAX REVENUE ($ MILLIONS), FY 88 – FY 07 39
FIGURE 2-11: BUSINESS TAX REVENUE GROWTH, FY 89– FY 07 40
FIGURE 2-12: OTHER GENERAL FUND SOURCES, FY 07 41
FIGURE 2-13: GENERAL FUND REVENUE, FY 88 – FY 07 42
FIGURE 2-14: GENERAL FUND TREND AND PROJECTION 42
FIGURE 2-15: MAJOR TAX REVENUE PER ACRE, 2006 43
FIGURE 2-16: MAJOR TAX REVENUE PER BUILDING SQUARE FOOT, 2006 43
FIGURE 2-17: GENERAL FUND EXPENDITURES, FY 89-07 44
FIGURE 2-18: EMPLOYEE HEALTH INSURANCE COST GROWTH, 1991-2007 45
FIGURE 2-19: CITY EMPLOYEE HEALTH INSURANCE PREMIUMS, 1998-2008 45
FIGURE 2-20: EMPLOYEE RETIREMENT COST GROWTH, 1991-2007 46
TABLE A-1: BEVERLY HILLS ECONOMIC DATA BY DETAILED INDUSTRY, 2006 51

PREFACE

This report provides analysis of fiscal trends and economic factors affecting business retention and growth in the City of Beverly Hills. The report is intended to provide background information and analysis to assist the City in developing an economic sustainability framework and strategy for its General Plan update.

The underlying policy question is whether and how fiscal and economic realities impose constraints on upcoming land use policy decisions to be made through the General Plan update process.

The report scope is to profile the City's economic base, assess factors affecting economic growth and business retention, and to assess past and future fiscal trends and requirements. If a future fiscal gap is identified, the scope is to describe balanced budget policy alternatives, such as land use changes, tax increases or service level adjustments.

CAVEATS

This report is intended as a background report for the City's lead General Plan consultant—EIP Associates—to use in developing General Plan content affected by the City's economic and fiscal conditions. It is not a substitute for strategies yet to be developed by City planners and planning consultants regarding land use alternatives, or for land use decisions yet to be made by the City Council and Planning Commission.

CREDITS

The authors extend their gratitude to the many City departments that provided information and interviews used in developing this report. In particular, Noel Marquis and Scott Miller of the Finance Department provided substantial data, documents and background information.

Elwood Tescher and Linda Tatum of EIP Associates and Marc Herman of MuniServices provided project direction and vision. MuniServices provided geo-coded taxpayer data, and analysis of tax revenue growth in comparison cities for this study. Burr Consulting conducted economic and fiscal analyses. Beverly Burr of Burr Consulting served as principal author. Cynthia Schuster of Burr Consulting conducted economic data analysis and drafted sections of the report. Alexander Hebert-Brown, Radu Oprea and Nate Kayhoe of Burr Consulting and Suzanne Davis and Bret Harmon of MuniServices provided research and data analysis.

EXECUTIVE SUMMARY

This report provides analysis of fiscal trends and economic factors affecting business retention and growth in the City of Beverly Hills.

ECONOMIC PROFILE

Beverly Hills has a high concentration of jobs due in part to its central location along the Wilshire Boulevard office corridor. There are 3.8 jobs per housing unit in Beverly Hills, and only 1.4 in the county as a whole.

The economic base is diverse. In addition to tourism and luxury retail, key industries concentrated in Beverly Hills include some of the highest-paying industries: entertainment, finance, real estate, professional services, and, increasingly, information technology.

The highest paid positions are professional and finance workers and entertainment industry executives, agents and lawyers who are located in offices in the west and central Wilshire areas of Beverly Hills. These well-paid and style-setting professionals have the potential to develop and reinforce the City's dynamic image.

The spending power behind the City's retail sector comes from its wealthy residents and highly-paid workforce, in addition to high-end visitors to the area. Visitors who stay in hotels in Beverly Hills have high incomes and spend exceptionally greater amounts during their visits than the state or national average.

ECONOMIC GROWTH

Primary growth factors are the economic performance of existing clusters, amenities attractive to the business community, and the relative appeal and flexibility of commercial space in the City compared with competitor locations. Business relocations play a role in growth. Relocating businesses are often growing firms with needs for expanded space. The engines of highest growth and spending potential are the City's large firms.

In the office sector, growth among Beverly Hills medical and entertainment firms outperformed the rest of the metropolitan area from 2001 to 2006; whereas, the Beverly Hills brokerage industry growth underperformed.

Economic research tells us that Los Angeles office occupants value much that Beverly Hills has to offer: prestige, central location, retail density, and neighborhood quality/income. Low vacancy rates and relatively high rents for aging space indicate a Beverly Hills address continues to hold allure for office tenants. But office occupants also value new buildings with glass exteriors, multiple elevators (i.e., height and larger floorplates), and subterranean parking, and are attracted to entertainment industry densities. Several major employers have left their Beverly Hills office space in recent years in favor of newer and more flexible space in Century City. The relatively small size of Beverly Hills office properties appears to have been a factor. Expanding employers relocate when they cannot find contiguous space. Aging and smaller space in Beverly Hills may face long-

term vulnerability, particularly among mid-sized and larger office firms. Planning policy and regulations limit incentives to update the building stock.

Competitive sales performance in the City reaffirms its retail image, although luxury retail is becoming less exclusive to Beverly Hills. Job creation in the City's retail sector matched the rest of the metropolitan area from 2001 to 2006. Beverly Hills retail growth performance compared with competitor locations varied between 2000 and 2007. The City showed strong performance in 2000, but underperformed from 2001 to 2003 during the recession and post-9/11 tourism decline. The Beverly Hills Triangle rebounded in 2004 and 2005, outperforming Century City, Santa Monica and the Beverly Center. By the end of the 2005, sales growth was underperforming again. The most recent data suggest that Beverly Hills has outperformed Santa Monica and the Beverly Center since late 2006, but refurbished Century City has dramatically outperformed Beverly Hills. The Grove, a newcomer, has consistently outperformed the City and its other competitors.

In the retail sector, there has been plenty of turnover, but relocation has not been such a critical growth factor as in the office sector. Unlike the housing market, office and retail markets were strong in 2007. Improvements can be made to City policy to compete effectively, especially with regard to office space.

Beverly Hills faces a development conundrum: There is little developable land remaining in the City. To nurture the growth of economic communities located on Robertson, Little Santa Monica, near the Peninsula Hotel, in the Old Industrial Area, and elsewhere, zoning changes are needed. In order to meet opportunities and counter competitive market forces impacting office development and rents from Century City, Santa Monica, West Hollywood, Hollywood, and mid-Wilshire, the current height limitation for commercial property should be revisited.

The City faces several key challenges:

- Aging buildings: The commercial building stock in the City is older than in competitor areas. Commercial height limits are barriers to the replacement of aging buildings and development of modern commercial space.

- Congestion: Growth in the Los Angeles basin and Westside has brought with it traffic congestion. Consumers increasingly make greater efforts to avoid traffic and parking delays. Without freeway access, moving people in and out poses critical challenges.

- Regulatory barriers: City regulations intended to protect this exclusive enclave—zoning, employee parking requirements, and other regulations—should be reconsidered.

- Image: To continue to thrive, Beverly Hills must appeal to a younger clientele while maintaining its long-held reputation for residents, visitors and professionals working in Beverly Hills.

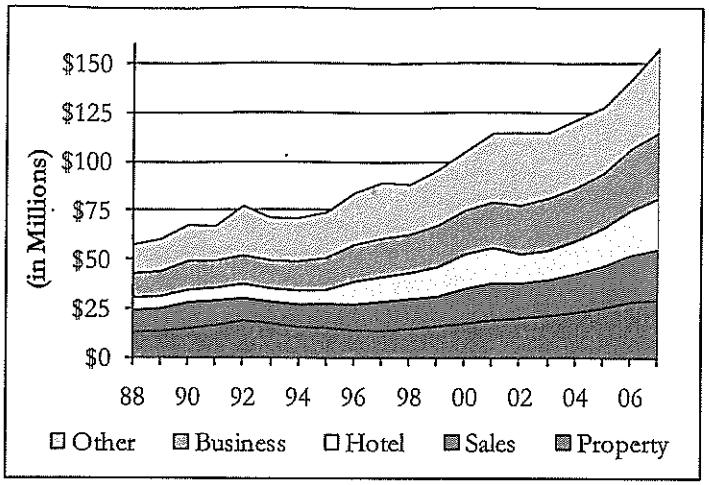
- Lifestyle: The City comes up short on nightlife and cultural offerings.

- Increased luxury retail competition: The number of wealthy households in the Los Angeles area has not only grown over the years, but also dispersed. Luxury retail locations have sprouted up outside City limits, and luxury products are increasingly sold by mid-market entities.

FISCAL TRENDS

The City's four major tax revenues—property, sales, hotel, and business taxes—yielded $115 million in revenues in Fiscal Year (FY) 07, making up 75 percent of the City's general fund.

The major tax revenues combined have grown in real terms by two percent annually over the last two business cycles, and three percent annually in the current cycle. The accompanying figure shows revenue from each source in constant FY 06 dollars.



There have been two periods of revenue decline in the last two cycles:

- During the protracted recession of the early 1990s, there were losses in all of the major tax revenue streams. The City depleted its reserves in FY 91 when revenue stagnated and costs escalated. The worst revenue losses were experienced in FY 93. By FY 96, the City began to replenish its depleted reserves due to growth in major tax revenues, reopening of the renovated Beverly Hills Hotel and one-time receipts from CalPERS.

- The recession of 2001 led to significant revenue declines in FY 02, exacerbated by a post-9/11 downturn in tourism and related hotel and sales tax activity in Beverly Hills. At the same time, the City's employee health insurance costs spiraled upwards at a 20 percent rate of inflation. The City adjusted in the short-term by relying on a portion (about 25 percent) of its reserves, and adjusted over time by trimming staff and costs, increasing fees, and encouraging economic development. Three years later, the City's hotel market had recovered and the City had accumulated reserves to replace those used during the 2001 recession.

In FY 07, municipal revenue growth slowed. Housing prices, which had grown rapidly between 2004 and 2006, began to fall in late 2006 in the region and the nation. By 2007, housing prices declined further, sales slowed significantly, and high foreclosure rates brought on a credit crunch. Although housing market woes were primarily centered on new-growth areas with lower-cost housing than in Beverly Hills, the impact on financial markets could potentially slow down or stall the City's economic engine. At the time this report was prepared, most economists were predicting sluggish growth rather than recession; however, economic news was becoming increasingly negative and economists had placed the risk of recession at about 50 percent.

This report projects sluggish growth in revenues in the coming years of three to four percent annually. City labor agreements compel salary increases in FY 08 of three to four percent, with most of those agreements up for renegotiation during the year. Although the City's health insurance costs will actually decline in FY 08, expectations of future employee health cost increases on the order of 5-10 percent create uncertainty about the City's long-term fiscal horizon. Employee retirement costs for not only the City but public sector employers as a whole have increased at rates far beyond revenue growth in recent years.

If a recession is averted and if employee retirement cost inflation falls to its long-term trend, this report projects there would be a general fund surplus. Either a short-term recession or employee retirement cost inflation at the recent trend would lead to a general fund budget deficit. Further departures of major commercial taxpayers would also weaken the City's fiscal outlook.

The City's recent experiences of revenue losses from major taxpayers who have moved out of the City, revenue volatility in the economic aftermath of the 2001 recession and 9/11 tourism downturn, and high rates of inflation in employee benefits are not sustainable from a fiscal perspective.

POLICY ALTERNATIVES

The City faces several policy options with respect to encouraging long-term economic development and fiscal stability:

1) Encourage non-residential development and business retention

This approach would improve the City's fiscal stability, particularly if policy is targeted toward high revenue yield commercial uses and occupants, and could potentially help finance increased service levels. Land used for commercial purposes generates substantially more tax revenue per acre than residential land. Residential properties generated $9,000 in tax revenue per acre in 2006, compared with $199,000 per acre on average for commercial uses. Hotels and auto dealerships yielded the greatest tax revenue per acre among commercial uses. Retail uses averaged $587,000 per acre, while office uses averaged $140,000 per acre.

2) Increase taxes and/or fees

This alternative would improve the City's fiscal stability. Increased taxes require voter approval; however, fee increases, which are currently being implemented, do not. However, once fee increases yield cost recovery for the relevant services (e.g., building permits and plan check), the City is precluded from increasing the fees to finance increased levels for other services. Tax and fee increases can discourage economic development when the rates are set higher than in neighboring, competitor jurisdictions, which can effectively limit the potential for the business community to bear the primary burden of tax increases. Indeed, a study by the City of Los Angeles indicates that the City of Beverly Hills business license tax rates for the prototypical professional service firm is higher than in neighboring cities, and that reductions in City of Los Angeles tax rates encouraged economic growth and/or more honest reporting of business activity.

3) Reduce service levels

This alternative would improve the City's fiscal stability by trimming City costs and reducing service levels. The City's public safety service levels are higher than in neighboring cities. Before trimming service levels, it is important for the City to take stock of the preferences of not only residents but also businesses located in the City. If the residential and/or commercial communities are located in the City to benefit from high municipal service levels, this alternative could encourage reduction in property values and potentially migration of some businesses out of the City.

4) Status Quo

This alternative involves waiting to determine whether or not a recession occurs or fiscal conditions deteriorate. The City has accumulated adequate reserves to weather another recession. This approach would not encourage economic development, nor would it improve fiscal conditions in the event that employee health benefit costs escalate beyond anticipated sluggish revenue growth.

1. ECONOMY AND GROWTH

This chapter provides an overview of the Beverly Hills economic base and key industry clusters. It analyzes growth trends for key industries and compares local growth performance to metropolitan and national trends. Recent business relocations are identified, along with factors contributing to the relocation decisions.

ECONOMIC OVERVIEW

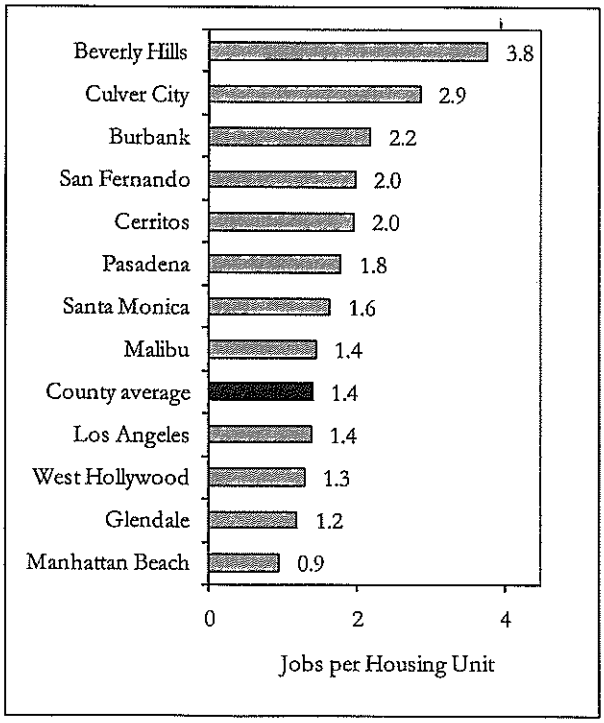
Beverly Hills has a high concentration of jobs due in part to its central location along the Wilshire Boulevard office corridor.

During the daytime, there are substantially more people who commute into the City to work (46,218) than there are Beverly Hills residents who commute out of the City to work (11,520), according to the 2000 Census. The primary origin of commuters to Beverly Hills is City of Los Angeles, accounting for three-fifths of the City's worker population. Twenty eight percent commute from West Hollywood, Santa Monica and other locations in Los Angeles County. Four percent commute from a California residence outside Los Angeles County or from out of state. Eight percent reside in Beverly Hills.

Table 1-1: Jobs per Housing Unit in Beverly Hills and Other Cities, 2005

The City's high job-to-housing ratio illustrates this worker influx. Beverly Hills' jobs to housing ratio is nearly triple the county average, according to SCAG data.[1] There are 3.8 jobs per housing unit in Beverly Hills, and only 1.4 in the county as a whole. The seven cities in the county with higher concentrations (not shown) are industrial centers.

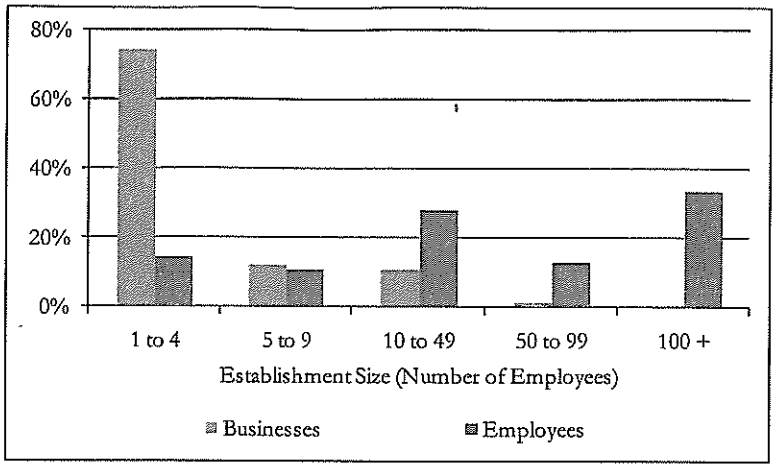
Average pay in the City is over $82,000. This is well over average pay in the county ($47,715) and in the nation ($42,405).



[1] SCAG Regional Transportation Plan 2004 projections for year 2005.

FIRM SIZE

Table 1-2: Percent of Establishments and Workforce by Business Size, 2006



There were 6,052 employers in Beverly Hills in 2006 according to Quarterly Census of Employment and Wages (QCEW) data.[2]. The engines of highest growth and spending potential are the City's large firms. Jobs are concentrated at the few businesses with over 100 employees. These companies represent only one percent of establishments but employ one third of the Beverly Hills workforce, as shown in Table 1-2.

The City also has a large number of small businesses and self-employed individuals; 74 percent of employers have fewer than five employees.

INDUSTRIES

Current Employment

Beverly Hills had 45,289 workers at 6,088 establishments in 2006 according to QCEW data.[3] Although lower than SCAG estimates of employees in the area due to data limitations, this count is still nearly 10,000 higher than the City's population (35,861).[4]

The largest industry in Beverly Hills by number of employees is the retail sector with nearly 7,000 jobs, 15 percent of the workforce, as shown in Table 1-3. Retail pay levels are much lower than the citywide average, but the industry still contributes much to the City due to its large overall payroll. Likewise, the City's second largest industry—the health care sector—has an average pay under $67,000. It provides the City with 5,000 jobs (11 percent). This includes doctors, dentists, nursing facilities, and laboratories. Pay in this area is higher than retail but still well under the city average, due largely to low-skilled workers who perform basic service jobs.

There are 4,203 professionals in the City, amounting to nine percent of the workforce. These workers include lawyers, accountants, architects, engineers, and consultants. Pay in this sector

[2] These data include information on job and payroll levels at virtually all employers, specifically those subject to Unemployment Insurance (UI) taxation. The data do not include those self-employed not organized as corporations, UI tax-evaders, unpaid interns, student workers, and certain exempt entities like religious institutions.

[3] There were 6,088 establishments, though only 6,052 of these reported having at least one employee.

[4] Department of Finance, 2006.

averages over $92,000. The other most notable industries by employment are restaurants, entertainment (including agents and artists), and hotels.

Beverly Hills attracts employers paying relatively high average pay. Average pay in Beverly Hills was, as previously noted, just over $82,000 in 2006; by comparison, average pay in Los Angeles County was $47,800. High-paid workers in Beverly Hills are concentrated in the entertainment, finance and professional industries, and are located in the City's office buildings. (For a more detailed look at jobs and pay levels by industry, please refer to Appendix Table A-1.) The highest average pay is in the entertainment industry, followed by finance.

Table 1-3: Beverly Hills Economy and Job Growth, 2001-6

	Beverly Hills, 2006			Growth Rate, 2001 to 2006		
	Jobs	Establishments	Average Pay	Beverly Hills	Los Angeles County	Nation
Total	**45,289**	**6,088**	**$82,309**	**11 %**	**2 %**	**3 %**
Retail	6,928	393	45,075	7	7	1
Health	5,068	905	66,593	25	13	13
Professionals	4,203	961	92,029	6	0	8
Restaurants	3,718	152	23,527	16	13	15
Entertainment	3,613	587	231,282	30	11	7
Hotel	3,030	17	34,711	19	-1	0
Business Services	2,883	196	41,705	7	2	7
Finance	2,856	237	161,417	2	22	24
Real Estate	2,136	434	63,037	20	11	11
Household	1,379	1,008	28,572	5	70	21
Education	1,088	38	39,911	-10	13	17
Personal Services	944	127	27,423	10	-1	1
Construction	822	75	114,420	17	14	12
Beauty Services	688	91	29,282	3	12	10
Nonprofits	613	69	57,001	5	-4	3
Wholesale	514	151	67,594	32	3	3
Transportation	347	27	46,899	-23	-10	2
Industrial	327	70	31,202	30	-20	-14
Computer	265	45	64,844	119	-2	0
Insurance	206	61	118,035	19	-7	2
Communications	88	10	71,058	-52	-32	-25

Source: QCEW data, 2001 and 2006.

Growth

The overall Beverly Hills workforce grew by 11 percent from 2001 to 2006, as shown in Table 1-3. This is significantly more growth than experienced in the county (two percent) or in the nation (three percent). Health and entertainment industries have significant growth (25 and 30 percent respectively), well over the county or nation. The largest relative growth within the City was in computer-related industries, which grew by 119 percent, although the industry size is still modest. This change is compared to negative growth in the county and stagnant growth in the nation. The largest negative change in the City was in communications, which followed a similar trend in the county and nation.

Underrepresented Industries

Certain industries simply do not locate in Beverly Hills or are greatly underrepresented. Some of these, such as manufacturing, wholesale and warehousing, are incompatible with City zoning, not to mention that these businesses tend to prefer locations with lower rents, freeway access and less density and congestion. Bars, dry cleaners, gasoline stations, and auto repair shops may be located outside the City due to relatively high rent levels, resident preferences or zoning. In the retail cluster, underrepresented industries include bars and fast food restaurants, gasoline stations, office supply stores, and bookstores.

Other gaps in the City's economy are specific areas within otherwise represented industries. For example, while professionals are widespread in Beverly Hills, there are few architects and engineers. The City's information/technology industry is under-represented in several areas, including software, search engines, network technologies, and web design. In retail, specific areas are better represented in areas outside the City, most notably men's apparel. These gaps are not a large concern, however, so long as profitable businesses are located in their stead.

INTER-INDUSTRY SYNERGIES

Inter-industry synergies involve supplier relationships as well as complementary businesses that bring each other additional volume. Some examples are shown in Table 1-4.

Figure 1-4: Industry Synergies – Supplier Relations

Input	Needed By
Parking Lots and Garages, Commercial Real Estate Services	All, especially Retail, Medical Offices, Personal Services
Restaurants, Office Supply Stores, Information Technology, Couriers	Professionals, Finance, Entertainment
Drug Stores, Medical Supplies, Labs	Medical Offices
Talent Agents, Independent Artists	Advertising Agencies (commercials)
Advertising Agencies	Motion Picture Distribution, Internet Publishing, Retail, Hotels
Independent Artists	Talent Agents

Parking and commercial real estate services are a ubiquitous need among commercial real estate users. In particular, those businesses drawing a significant number of visitors—retail, restaurants, medical offices, and personal/beauty services—have greater needs for these services. Similarly, upscale office tenants require high levels of service from their real estate operators.

Office tenants, including professionals, finance and entertainment, have greater needs for convenient restaurants. Research indicates that office tenants pay higher rents for this convenience to reduce employee break times and enhance productivity. Other supplier needs for professional offices include information technology, office supply stores, printing services, and couriers; however, offices can adapt when these amenities are located at a modest distance.

Within the entertainment cluster, advertising agencies rely on talent agents and independent artists to produce commercials. The motion picture distribution and marketing industry, although not located in Beverly Hills for the most part, relies on advertising agencies, many of which are located in the City. Retailers, hotels and internet publishers also spend relatively high shares of their receipts on advertising. The relationship between talent agents and independent artists is mutually reinforcing; both industries are relatively concentrated in the Beverly Hills area.

Figure 1-5: Industry Synergies – Complementary Customer Bases

Complementary Industry	Needed By
Restaurants	Luxury Retail, Professionals
Plastic Surgery	Hotels, Spas, Beauty Stores
Restaurants, Bars, Amusements	Hotels
Hotels, Tours	Retail with Mid-Market Inventory, Tours, Personal Services, Rental Cars
Book Stores, Music Stores, Cultural Opportunities, Amusements	After-work Dining, Evening Retail, Professionals
Department Stores, "Anchor" Retail	Boutiques and Specialty Stores

Some examples of inter-industry synergies through complementary customer bases are shown in Table 1-5. Hotels need convenient restaurants, bars, retail, personal services, and entertainment to attract and satisfy hotel visitors. There is a symbiotic relationship between hotels and the types of businesses that hotel guests wish to frequent. Beverly Hills offers restaurants, destination shopping, tours, and personal services. Hotel visitors undoubtedly leave the City to frequent bars and to find entertainment and nightlife. Retailers rely on the success of hotels and tour operators to enhance revenues through tourist spending power. Luxury retailers in particular rely on the luxury and upscale hotels to draw high-income tourists into the vicinity of their shops.

In addition, the luxury service cluster has a symbiotic relationship with plastic surgery in that both industries draw similar customer bases with relatively high incomes and strong demand for beauty services, products, and procedures.

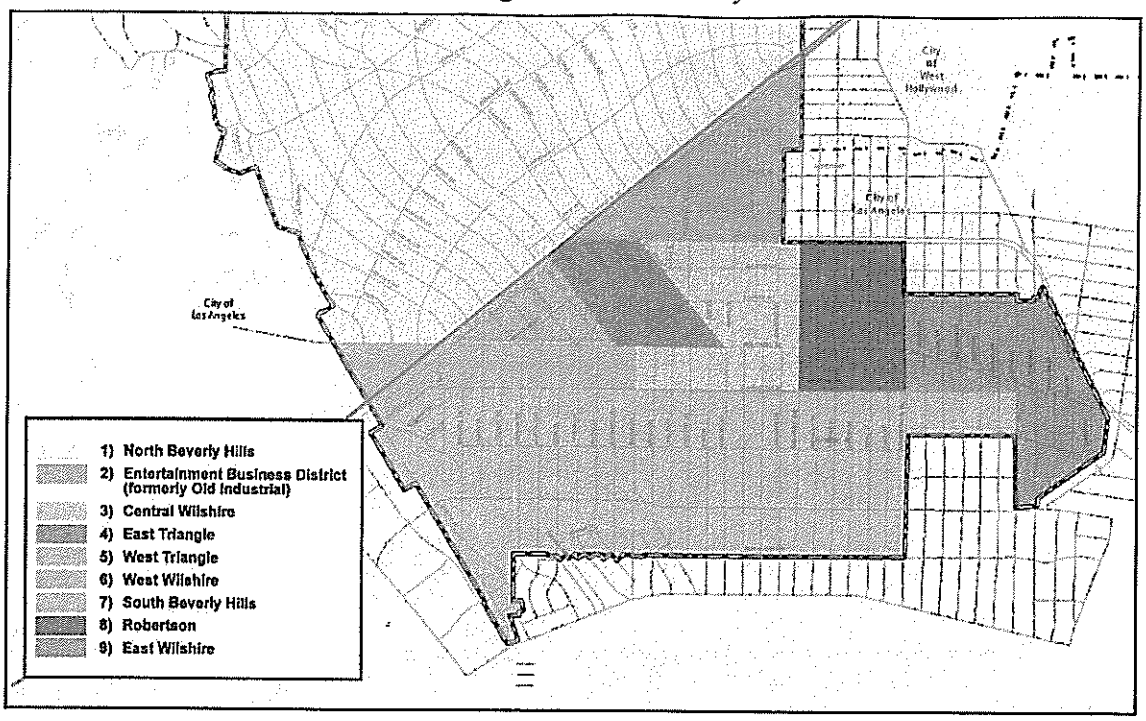
Office tenants, including professionals, finance and entertainment, need convenient restaurants for entertaining clients and talent, and for their employees. Concern about restaurant options and convenient services in the City will increase as the new media economic community grows; current zoning restricts access to these kinds of businesses.

Businesses perceive there to be a symbiotic relationship between tasteful nightlife, late-night dining, bookstores, and music stores, and attracting the after-work spending power of the high-income finance, professionals and talent agents.

ECONOMIC COMMUNITIES

Within Beverly Hills, there are various economic communities with some degree of identity and specialization. These communities come with different endowments—building types, rents, aesthetics, and customer bases—and they attract different types of businesses. For these communities to flourish and refine their distinctive personalities, the City must understand what allows them to prosper and what constrains their growth.

Figure 1-6: Beverly Hills Economic Communities Map



West Wilshire—the corridor along Wilshire Blvd. west of Beverly Drive—has the greatest concentration of jobs among the various economic communities, as shown in Table 1-7. Over 20 percent of all jobs in the City are located in this area. Two of the highest-paying industries—entertainment and finance—are clustered in this area. Average pay in the West Wilshire community tops $100,000—well over the City average of $80,000—despite the presence of lower-paying industries such as hotel and retail. The concentration of well-paid workers in the West Wilshire and Triangle areas supports a variety of high-end businesses. Locating sophisticated nightlife in this area may attract the area's substantial after-work spending power.

East Wilshire—the Wilshire corridor east of Robertson—has the second highest number of jobs in the City (16 percent). Pay in this area averages $10,000 below the City average. Construction businesses, primarily land subdivision offices (establishments engaged in servicing land and subdividing real property into lots for subsequent sale to builders), are concentrated in this area. There are also a large number of health care employers, entertainment services, restaurants, and business services. Average pay in this area is below the citywide average.

The Triangle is subdivided into two areas. Retail, health care and beauty services are clustered in the West Triangle area, the portion of the Triangle west of Beverly Boulevard. This western area contains 14 percent of City jobs. East of Beverly Boulevard, there is a concentration of restaurants, representing less than 10 percent of jobs. Average pay in the overall Triangle is well below the City's average pay; especially in the Eastern Triangle area.

South Beverly Hills—the area south of Wilshire and west of La Cienega— has concentrations of wholesale and retail employers. There are also many jobs in retail, food services, professionals, and education. Average pay is well below the citywide average.

Table 1-7: Beverly Hills Economic Community Profiles, 2006

Area	Firms	Employment	Average Salary	Area Description
Total	6,088	45,289	$82,309	
West Wilshire	4,266	10,748	100,298	along Wilshire Blvd. west of Beverly Drive
East Wilshire	7,063	7,063	70,503	along Wilshire Blvd. east of Robertson
West Triangle	6,203	6,203	68,713	the Triangle west of Beverly Boulevard
South Beverly Hills	4,730	4,730	61,571	south of Wilshire and west of La Cienega
Central Wilshire	4,587	4,587	177,235	south of Burton Way between Doheny and Beverly boulevards
East Triangle	4,266	4,266	53,362	the Triangle east of Beverly Boulevard
Robertson	2,730	2,730	75,331	north of Wilshire between Doheny and Robertson
Entertainment District	1,832	1,832	143,404	north of Burton Way and south of Santa Monica Boulevard
Noth Beverly Hills	1,234	1,234	40,909	north of Santa Monica Boulevard

Source: QCEW data, 2006.

Central Wilshire—south of Burton Way between Doheny and Beverly Boulevards—has the highest average pay (over $175,000) due to a high concentration of professionals. Office space in this area is largely filled with offices of lawyers, accountants and consultants. Retail, accommodations and food service employers are not well represented in Central Wilshire, though there are many in the nearby East Triangle area.

To the east of Central Wilshire, the Robertson area is north of Wilshire between Doheny and Robertson. There is a concentration of health care employers in this area, likely due to its proximity to Cedars Sinai in Los Angeles. There is also significant retail employment in the area, largely from to a car dealership. Robertson is surprisingly underutilized given its location adjacent to more affluent areas just across the city limit. The juxtaposition of low-rent Beverly Hills/Robertson to its affluent and vibrant Los Angeles/Robertson neighbor highlights this community's potential.

The Entertainment District, formerly known as the Old Industrial Area, is located north of Burton Way and south of Santa Monica Boulevard. This area contains less than five percent of city employment, but average pay is high ($140,000). It is being re-formed into a new media district: Information services, transportation and finance are concentrated here. In 2006, the interactive divisions of AOL and Fox moved into this area from outside of the City. These additions raised average pay, employment and prestige in the area.

Lastly, North Beverly Hills—the mostly residential area north of Santa Monica Boulevard—has the fewest employees and lowest average pay of all areas in the City. Existing concentrations are in accommodations, due to the presence of a large luxury hotel, real estate offices, and private household employers. The low wages in the area are due to 300 employees employed at private households who earn an average wage of $22,780.

Most employers (95 percent) had adequate address information to determine their location within Beverly Hills. However, some report their address as a postal box or an invalid address. For this reason, not all activity reported in Beverly Hills could be geo-coded to a specific community.

INDUSTRY CLUSTERS

This section describes key industry clusters in the City, identifying key businesses within each in terms of tax payments and workforce.[5] Growth trends in the clusters are compared to performance in the metropolitan area and nation. The section also discusses inter-city competition stemming from real estate availability. Luxury office and retail store mobility draws attention to the City's standing relative to competitive areas in Santa Monica, Los Angeles, and West Hollywood. Markets are strong in 2007, but improvements can be made to City policy to compete effectively, especially with regard to office space.

CLUSTER OVERVIEW

Industry clusters refer to those industries with a greater concentration of employment in Beverly Hills than in the Los Angeles metropolitan area. Clusters are disproportionately attracted to the City, or at least have been historically. Importantly, industry clusters are export-oriented; they draw spending power from outside the City. Their presence draws other support businesses to the area. Important clusters are those that contribute the most to a city's economy, image, and tax base, as well as inter-connections between the industries.

The most significant clusters in Beverly Hills by agglomeration and size are entertainment services, finance, professional services, real estate tourism, and retail. The information/technology services cluster is a small, but growing cluster, one that is intertwined with the entertainment industry. Not all industries of note are examined here. Clusters with insignificant employment levels, such as jewelry wholesale with only 90 workers, are not discussed.

Defining Industry Clusters

To identify industry clusters, we calculated the share of total private employment in each industry in Beverly Hills and in Los Angeles County. The ratio of these employment shares is a location coefficient. A location coefficient equal to one indicates that an industry's presence in the city is proportional to the city's size, and the city neither attracts nor repels that industry. The higher the location coefficient, the more an industry is disproportionately attracted to the city. For example, the location coefficient for entertainment services is 13.9, meaning that these establishments are 13.9 times more concentrated in Beverly Hills than they are in Los Angeles County as a whole. Industries with a location coefficient less than one are less concentrated in the City than in the county.

Reason and caution are necessary in interpreting location coefficients. For example, the location coefficient for residential building construction indicates that this industry is more than twice as concentrated in Beverly Hills as in the metropolitan area. This may reflect greater demand among Beverly Hills' residents for home remodeling due to higher incomes, preferences, or an older housing stock. How an industry is defined impacts the determination of a coefficient. If an industry is defined too broadly, there is potential to miss a cluster. To illustrate, the restaurant/bar industry is

[5] There were three criteria used for identifying a key business: placing among the top 100 general fund taxpayers in 2006; placing among the top 150 business license taxpayers in 2006; or employing 100 or more personnel.

not heavily clustered in the City (location coefficient of 1.1); but, if the industry is broken up into its constituent parts, it becomes clear that full-service restaurants are relatively concentrated in the City (location coefficient of 1.9), even though bars are not (location coefficient of less than 0.2).

Table 1-8: Beverly Hills Industry Activity by Type of Space, 2006

Industry	Location Coefficient	Jobs	Employers	Average Size	Average Pay
Total	.	**45,288**	**6,088**	**7**	**$82,309**
Office Space	**1.5**	**24,066**	**1,464**	**16**	**$118,980**
Entertainment Services	13.9	3,847	564	7	228,428
Talent Agents and Managers	42.8	2,672	93	29	198,532
Public Relations Agencies	6.9	236	28	8	83,212
Independent Artists/Writers/Performers	4.0	539	420	1	527,698
Information/Technology	12.2	184	12	15	120,564
Internet Publishing and Broadcasting	12.2	184	12	15	120,564
Finance	4.9	1,604	145	11	204,830
Investment Banking	8.7	529	18	29	195,164
Securities Brokerage	7.7	638	20	32	225,748
Other Financial Investment Activities	3.5	437	107	4	125,220
Real Estate	3.2	2,969	476	6	60,636
Non-Residential Building Managers/Lessors	4.4	521	99	5	60,251
Land Subdivision	3.3	126	27	5	90,808
Offices of Real Estate Agents & Brokers	3.4	619	149	4	91,162
Residential Building Managers/Lessors	2.6	723	146	5	42,006
Professional	2.6	7,290	1,427	5	78,072
Legal Services	2.9	1,818	454	4	109,514
Outpatient Health Care	2.5	5,017	904	6	66,733
Certified Public Accountants	2.3	455	69	7	77,489
Retail Space	**0.9**	**7,233**	**1,621**	**4**	**$45,729**
Luggage and Leather Goods Stores	16.8	123	9	14	62,956
Jewelry Stores	5.0	304	34	9	61,578
Art Dealers	3.9	54	16	3	75,873
Clothing Stores	3.3	1,735	104	17	41,640
Home Furnishings Stores	2.8	263	17	15	25,943
Shoe Stores	1.9	186	13	14	36,869
New Automobile Dealers	1.7	726	8	91	68,560
Service Space	**1.3**	**8,516**	**107**	**80**	**$29,254**
Tourism/Luxury Service	2.9	6,880	210	33	29,850
Hotels and Motels	6.4	3,030	17	178	34,711
Personal Care Services	4.0	720	99	7	29,496
Full-Service Restaurants	1.9	3,131	94	33	25,227
Other Space	**0.4**	**5,451**	**2,897**	**2**	**$51,880**
Parking Lots and Garages	3.5	543	73	7	21,899
Residential Building Construction	1.9	625	32	20	130,995

Source: Burr Consulting computations based on 2006 QCEW data.
Note: This is not an exhaustive list of industries; only industries of interest are included.

OFFICE OCCUPANTS

There were a total of 1,464 office-based employers with 24,066 employees in the City in 2006 (see Table 1-8). This represents a 17 percent growth in office-based employment since 2001, faster than the 11 percent economy-wide. The 2006 average size of office-based industries in Beverly Hills was 16 employees, according to QCEW data. The average size in Los Angeles County was 12. Information/technology and finance firms have the largest average workforces of office-based establishments. Average pay for office-based jobs is $118,980, 44 percent higher than the overall City average. Office space area in Beverly Hills covers 279 acres (12.2 million square feet), accounting for 46 percent of non-residential land in the City.[6]

The clusters located in office space are entertainment, finance, professionals, real estate and information technology. Talent agents and managers have the largest location coefficient of all industries (42.8).[7] Investment banking (8.7), securities brokerage (7.7) and public relations agencies (6.9) are also highly concentrated.

Between 2001 and 2006, the entertainment, information, real estate and professional services clusters in Beverly Hills experienced job growth surpassing the countywide average, as shown in Table 1-9.

Jobs in investment banking and securities brokerage firms declined in the City, county and nation between 2001 and 2006, but the City's losses were two to nine times larger. Offsetting job losses in these clustered financial industries to create the overall finance growth of 2 percent, however, were job gains at banks and investment advisory firms (see Appendix Table A-1).

Table 1-9: Office-Based Employment Growth, 2001-6

Industry	Beverly Hills	Los Angeles County	Nation
Office Space			
Entertainment Services	30 %	11 %	7 %
Talent Agents and Managers	31	19 %	17 %
Independent Artists/Writers/Performers	28	1	28
Public Relations Agencies	0	-25	-9
Information/Technology	52 %	-32 %	-21 %
Internet Publishing and Broadcasting	52	-32	-21
Finance	2 %	8 %	6 %
Investment Banking	-35	-15	-4
Securities Brokerage	-9	-3	-16
Real Estate	20 %	7 %	6 %
Nonresidential Building Managers/Lessors	16	-6	3
Land Subdivision	2	-24	9
Offices of Real Estate Agents & Brokers	62	34	28
Residential Building Managers/Lessors	0	7	5
Professional	16 %	6 %	12 %
Legal Services	1	2	8
Outpatient Health Care	25	18	19
Offices of Certified Public Accountants	1	-4	-3

Source: Burr Consulting computations based on 2001 and 2006 QCEW data

[6] Beverly Hills General Plan Technical Background Report, 2002.

[7] This location coefficient reflects the concentration of talent agencies in the City prior to the relocation of Creative Artists Agency and International Creative Management in 2006. With these two companies excluded, the location coefficient for talent agents and managers would have been 30.7.

Entertainment Services

Talent agents and managers account for the greatest share of jobs in the entertainment cluster. This industry's average firm size (29) is relatively large; considering recent losses to the industry, the average size drops to 22 employees. Seven percent of entertainment firms in the City have over 100 employees, while one percent in the county is this large. Average pay is relatively high. Independent artists, writers and performers are a smaller industry by nature, but enjoy the highest pay levels in the cluster. These businesses have less than two employees on average. Nearly 90 percent of independent artist agencies have fewer than five employees.

Key businesses in the sector include the William Morris Agency and the Academy of Motion Pictures, as shown in Table 1-10.

Table 1-10: Entertainment Cluster: Key Businesses, 2006

Firm	Industry	Primary BH Location	Top 100 Taxpayers	Top 150 BL Taxpayers	Employers of 100+
William Morris Agency	Talent Agency	151 El Camino Dr	X	X	X
United Talent Agency	Talent Agency	9560 Wilshire Blvd #500	X	X	X
Endeavor Agency	Talent Agency	9601 Wilshire Blvd Floor 3	X	X	X
Broder Webb Chervin Silbermann	Talent Agency	9242 Beverly Blvd	X	X	
The Gersch Agency	Talent Agency	232 N Canon Dr			X
Paradigm	Talent Agency	360 N Crescent Dr			X
3 Arts Entertainment	Talent Management	9460 Wilshire Blvd #7		X	
Academy of Motion Pictures	Entertainment Services	8949 Wilshire Blvd			X
BMG	Entertainment Bureau	8750 Wilshire Blvd			X
Flynt Publications	Publishing	8484 Wilshire Blvd	X	X	
Sony Pictures Television	Motion Pictures	10202 Washingtion Blvd		X	
Illoulian Jerry	Motion Pictures	8840 Wilshire Blvd		X	
Brillstein Grey Entertainment	Motion Pictures	9150 Wilshire Blvd		X	

Sources: Dun & Bradstreet, InfoUSA, Burr Consulting, MuniServices Co.

Talent agencies contribute significant business license tax revenue to the City. Agencies such as William Morris that own properties directly contribute property taxes, while others that rent contribute property taxes indirectly through their commercial landlords. Entertainment services businesses contribute inconsequential sales tax revenue, as services are not subject to sales tax.

Employment growth in the cluster has been strong in recent years, as shown in Table 1-9. Talent agents and managers and independent artists have also increased by over 25 percent, over the county and national rates. Public relations agency employment numbers, however, remained stagnant, whereas there have been employment declines in the county and nationwide.

Entertainment industries reinforce the City's high visibility and brand image. This cluster promotes profitable relationships with complementary industries, such as fine dining and shopping that capitalizes on the spending power of high-income professionals.

Finance

Investment banking and securities brokerage are concentrated in Beverly Hills. Finance employs more than 1,500 people, drawing highly-paid professionals from inside and outside the City. Key businesses in the finance cluster include Canyon Partners, Douglas Emmett and Pacific Financial Research (see Table 1-11).

Key finance industry firms in the City are larger than those in the county overall. Twenty-seven percent of investment banking firms in Beverly Hills have over 100 employees, as do ten percent of securities brokerage firms, while in the county each industry has only 4 percent of firms with over 100 employees.

Much of the finance cluster contributes business license tax revenue to the City, although banks are not subject to this tax. Businesses that own properties directly contribute property taxes, while others that rent contribute property taxes indirectly through their commercial landlords.

Growth rates for the concentrated segments of finance are shown in Table 1-9. The City's investment banking workforce shrunk by 35 percent compared to the county's loss of 15 percent. Securities brokerage jobs decreased by nine percent. As shown in Table 1-3, however, the overall finance sector increased its employment by two percent during this time, similar to rates in the county and nation. This shows that non-concentrated finance sector employment growth made up for losses shown here.

Table 1-11: Finance Cluster Key Businesses, 2006

Firm	Industry	Primary BH Location	Top 100 Taxpayers	Top 150 BL Taxpayers	Employers of 100+
Canyon Partners	Security & Commodity Brokers	9665 Wilshire Blvd #200	X	X	
Douglas Emmett Co	Investment Office	9601 Wilshire Blvd #25	X	X	
Pacific Financial Research	Security & Commodity Brokers	9601 Wilshire Blvd #GL1	X	X	
Imperial Capital	Investment Office	150 S Rodeo Dr #100	X	X	
Wells Fargo Bank	Banks	9600 Santa Monica Blvd		X	X
City National Bank	Banks	400 N Roxbury Dr			X
Bank Of America NT SA	Banks	9461 Wilshire Blvd		X	
NK Financing Corporation	Nondepository Institution	8500 Wilshire Blvd		X	
Citigroup Global Markets Inc	Security & Commodity Brokers	9401 Wilshire Blvd		X	X
M L Stern Company	Security & Commodity Brokers	8350 Wilshire Blvd #1		X	X
RBC Dain Rauscher	Security & Commodity Brokers	9665 Wilshire Blvd #400		X	
Dean Witter Reynolds Inc	Security & Commodity Brokers	335 N Maple Dr		X	X
Merrill Lynch	Security & Commodity Brokers	9560 Wilshire Blvd #3		X	X
AG Edwards Sons Inc	Security & Commodity Brokers	9665 Wilshire Blvd		X	
Management Brokers Ins Agency	Insurance Agents/Brokers	9301 Wilshire Blvd #615		X	

Sources: Dun & Bradstreet, InfoUSA, Burr Consulting, MuniServices Co.

Professional Services

The professional cluster consists mostly of law firms (location coefficient of 2.9), accounting firms (2.3) and medical offices (2.5). Key businesses include three entertainment law offices and

medical centers (Table 1-12). Professional firms in the City are somewhat smaller than those in the county. Over 60 percent of professional firms in Beverly Hills have fewer than 20 employees, while 48 percent are this size in the county.

Revenue from medical offices ranks second behind commercial building operators as top generators of business license tax, providing nine percent of this revenue. (Commercial building operators account for one-third of business license taxes.)

The strongest growth in the professional cluster from 2001 to 2006 was in outpatient health care: this industry's employment grew by 25 percent (see Table 1-9). Doctors' and dentists' offices drove this expansion. The county experienced slightly slower growth in this area (18 percent); the nation was stagnant. Legal and accounting services both had an increase of one percent in the City.

The professional cluster requires other businesses for its success. The plastic surgery industry draws customers from around the country and requires convenient luxury hotels and services to accommodate customers. Medical offices drawing a significant number of visitors have need for sufficient parking.

Table 1-12: Professional Services Cluster Key Businesses, 2006

Firm	Industry	Primary BH Location	Top 100 Taxpayers	Top 150 BL Taxpayers	Employers of 100+
Specialty Surgical Center	Hospitals	8670 Wilshire Blvd #100	X	X	
Radnet Beverly Tower	Medical Services	8750 Wilshire Blvd #300		X	
S B Surgery Center	Medical Services	120 S Spalding Dr #301		X	
Bloom Hergott Diemer & Cook LLP	Entertainment Attorneys	150 S Rodeo Dr #3		X	
Gang Tyre Ramer Brown Inc	Entertainment Attorneys	132 S Rodeo Dr		X	
Hansen Jacobson Teller, et al	Entertainment Attorneys	450 N Roxbury Dr #8		X	
Beverly Hills Medical Plaza	Physicians/Surgeons	150 N Robertson		X	
Bosley Medical Group Inc	Physicians/Surgeons	9100 Wilshire Blvd E Tower		X	X
HKS Architects Inc	Architects	9441 W Olympic Blvd		X	
Ervin Cohen Jessup	Attorneys	9401 Wilshire Blvd #9		X	
Siegelgale Inc	Brand Identity/Strategists	9441 W Olympic Blvd		X	
Rothstein Kass Co P C	Accountants	9171 Wilshire Blvd		X	
NSBN	Accountants	9454 Wilshire Blvd #4		X	

Sources: Dun & Bradstreet, InfoUSA, Burr Consulting, MuniServices Co.

Real Estate Cluster

The real estate cluster includes building operators, real estate agents and brokers, developers, and related activities. There were 2,969 jobs in this cluster in 2006. Key industries are building managers and lessors (723 jobs in the residential segment and 521 jobs in the non-residential segment), and real estate agents and brokers (619 jobs).

Commercial real estate leasing and managing is the most concentrated industry, with a location coefficient of 4.4, followed by developers (land subdividers) at 4.2, and real estate agents and brokers at 3.5. Average pay in the sector is relatively low ($60,636), with the highest pay for agents and brokers ($91,162) and the lowest for managers and lessors of residential buildings ($42,006). The average firm within this cluster is relatively small, with fewer employees than the citywide average of seven.

Key businesses in the cluster include Arden Realty Group and a number of non-residential building operators (see Table 1-13).[8] There are no firms with more than 100 employees in the cluster, but several generate significant tax revenue for the city via both property and business taxes.

Employment growth in the real estate cluster from 2001 to 2006 has varied by industry, as shown in Table 1-9. Real estate agents and brokers have had strong growth in both absolute and relative terms: the industry grew by 62 percent in Beverly Hills, compared to 34 and 28 percent growth in the county and the nation, respectively. Relative to the county, the City also had strong growth in land subdivision (two percent versus a loss of 24 percent).

Table 1-13: Real Estate Cluster Key Businesses, 2006

Firm	Industry	Primary BH Location	Top 100 Taxpayers	Top 150 BL Taxpayers	Employers of 100+
Arden Realty Group	Real Estate Agents/Managers	8383 Wilshire Blvd	X	X	
Wilshire Rodeo Fee, LLC	Non-Residential Building Operators	9536 Wilshire Blvd	X	X	
Rodeo Owner Corporation	Non-Residential Building Operators	9480 Dayton Way	X	X	
Beverly Wilshire Properties	Non-Residential Building Operators	9465 Wilshire Blvd	X	X	
G.L. Realty Partnership	Non-Residential Building Operators	439 North Bedford Dr	X	X	
Maple Plaza, LTD	Non-Residential Building Operators	345 North Maple Dr	X	X	
Daryoush Mahboubi-Fardi	Non-Residential Building Operators	421 Rodeo Drive	X	X	
Platinum Equity Holdings	Non-Residential Building Operators	360 North Crescent Dr	X	X	
MGM Management	Non-Residential Building Operators	433 N Camden Dr	X	X	

Sources: Dun & Bradstreet, InfoUSA, Burr Consulting, MuniServices, LLC.

Information/Technology Cluster

As of 2004, the information/technology cluster had a relatively modest number of jobs with average pay levels in internet publishing and relatively high pay at internet providers and sites (not shown). Employment in this sector increased by over 50 percent from 2001 to 2006 (see Table 1-9). In 2006, internet publishing and broadcasting had a location coefficient of 12.2 and nearly 200 employees. The industry's pay also increased to over $120,000. Over the same time period, this industry's employment declined in the county by 32 percent.

[8] Rodeo Owner Corp, listed in Table 1-13, sold its property ("Two Rodeo") to Sloan Capital in September 2007.

This cluster contributes business license tax revenue to the City. Businesses in this sector that own properties directly contribute property taxes, while others that rent contribute property taxes indirectly through their commercial landlords. Information technology businesses contribute inconsequential sales tax revenue, as services are not subject to sales tax.

Growth and Relocations

Urban economics research indicates that the primary factor driving urban growth is changes in economic activity among existing businesses—expansions, contractions, births and deaths—rather than business relocations, but an important secondary factor is business relocations.

When moving, companies often prefer to rent new space in the same market where previously located – an inertia partly due to place-dependent business networks.[9] Empirical research indicates that about four-fifths of relocating businesses in the Los Angeles area move a relatively short distance from their original location.[10] About 35 percent of relocating California businesses moved to another location in the same city, and about 40 percent moved to another city in the same county, according to analysis of 1993-2005 California business dynamics data.[11] Business relocations out of California have been found by both studies to be negligible. Out-movers are commonly rapidly growing companies in need of significant changes in space.[12]

In considering location, a USC researcher found that in Los Angeles most office occupants favor a central location in downtown or in the center of the Wilshire corridor (i.e., Beverly Hills and Century City) more than outlying locations, such as Santa Monica, Warner Center, Hollywood or Pasadena.[13] Central location advantages include access to workers and inter-firm collaboration and information exchange. Prestige, which was defined as a Beverly Hills location, was found to have a significant, positive effect in attracting office users and enhancing office rents. Other location amenities valued by office occupants include existing office concentration, nearby retail density, neighborhood quality (income), presence of strong entertainment sector, proximity to the beach, and airport proximity; proximity to freeways is not a significant factor. Building amenities valued most by Los Angeles office occupants are new buildings, buildings with more elevators (i.e., taller), external glass walls, and subterranean parking availability.

Several high-visibility office-based businesses have left or are planning to leave Beverly Hills for nearby cities, suggesting that the City should focus on its real estate's competitive edge. High-visibility losses in 2006 include CAA and ICM in the entertainment industry, which both left for new, contiguous office space. Both of these are large employers: CAA had 550 employees and ICM

[9] Drennan, 2007.

[10] Burr, 1997, pp. 1-2.

[11] Neumark, Zhang and Wall, 2005, p. 27.

[12] Burr, 1997, p. 2.

[13] Sivitanidou, 1995 and 1996.

had 300 in 2004.[14] Canyon Partners, one of the City's largest financial firms, recently leased 70,000 square feet of space in Century City near CAA's new location.

The reasons for tenant relocation from Beverly Hills or initial location in a competitor area are similar across office-based industries. The prime issue is the availability of updated commercial offices offering contiguous space; this is a challenge in Beverly Hills due to City planning restrictions. The general commercial zone height limit in the City is 45 feet and three stories, although there are exceptions due to overlay zones, entitlements, and buildings built prior to the limit was established. Pursuing a new entitlement is possible for new developers, but could be cost-prohibitive. Under existing policy, a developer would likely have to invest upwards of $0.5 million in an environmental impact review (EIR), lobbying and other costs.

Additional threats to business retention include scarce parking availability for clients and employees, a lack of pedestrian-oriented signage, aesthetics, and restaurant availability for employees. Also of note, some realtors report that non-medical professional offices prefer not to share building space with medical offices due to injured and ill patients' presence in hallways.

Despite these issues, Beverly Hills' prestige has attracted some notable positive growth in office tenants. Beverly Hills is an appealing locale for offices because of the City's prominent image and its central location in the Los Angeles area. The area is in close proximity to desired residential communities. Distance to a business owner's home is a key determinant in deciding location.

Prominent additions to Beverly Hills' office-based economy in recent and coming months include Michael Eisner's Tornante, Candy & Candy (an exclusive interior and architectural design company), and—most significantly—American Online (AOL) and Fox Interactive. AOL and Fox Interactive both moved into the Entertainment District when substantial space became available there in 2006. Much IT business is located in this district, where growth is subject to fewer infrastructure restrictions and less resident resistance. Finally, the William Morris Agency is planning to relocate within city limits, in a new mixed-use building on North Beverly Drive. If the project moves forward, the Agency will sign a 20-year lease for 177,225 square feet in a building to be constructed on Beverly Drive.[15]

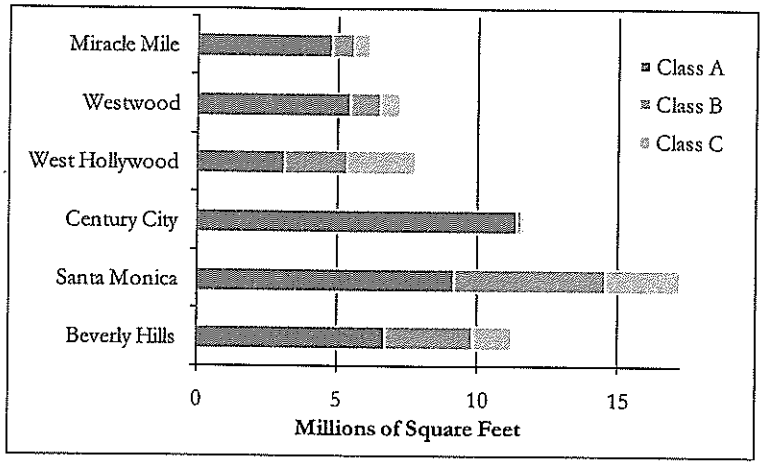
[14] Nushbaum, 2004.

[15] Sieroty, 2007.

Real Estate Competition

Beverly Hills competes for upscale office space tenants in the West Los Angeles and Mid-Wilshire markets with Century City, Santa Monica, Los Angeles, and other nearby cities. Within a relatively short distance of Beverly Hills are alternative locations in the Century City, Westwood, Mid-Wilshire, and Hollywood communities in the City of Los Angeles.

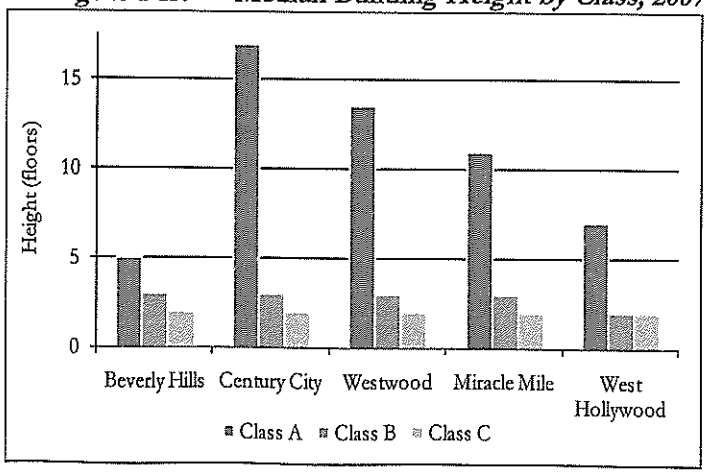
Figure 1-14: Office Space Square Footage by Class, 2007



There are nearly 3,600 office buildings with a total of 101 million square feet of rentable space in these areas. The largest amounts of total square footage are located in Santa Monica, Century City and Beverly Hills, as shown in Figure 1-14. Just over half of the space in the West Los Angeles and Mid-Wilshire market areas is Class A, 28 percent is Class B, and the remainder Class C. The office space in Beverly Hills is 60 percent Class A and 28 percent Class B.

Despite its large amount of total space, the average size of buildings in Beverly Hills is smaller than in competitor areas. The average Class A building in Beverly Hills has 111,000 square feet, whereas competitor areas range from 404,000 square feet in Century City to 162,000 in West Hollywood. Class B buildings, which are generally smaller than Class A buildings, are of comparable size in Beverly Hills and in the rest of the market. Class C space in Beverly Hills, however, is in relatively smaller buildings compared to these adjacent market areas. Businesses are more likely to consider a move when they lack expansion room in their current buildings, and are more likely to find expansion room and their optimal space size in larger buildings. Smaller Class A buildings may have difficulty offering cost-effective building services.

Figure 1-15: Median Building Height by Class, 2007



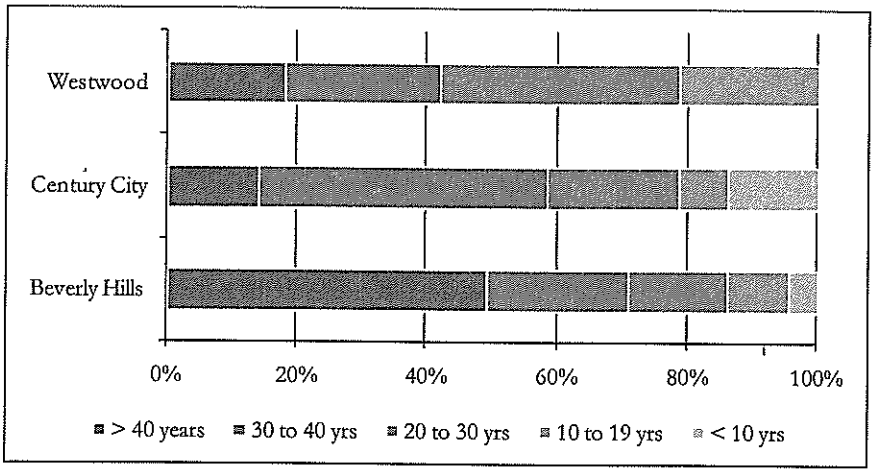
Class A office buildings in Beverly Hills are shorter elsewhere in the market. The median Class A building in Beverly Hills is five floors, in Century City 17 floors and in Westwood 14 floors, as shown in Figure 1-15.

In Beverly Hills, 29 percent of the square footage is in buildings of three or fewer floors, 21 percent with four to six floors, and 39 percent with seven to ten floors. The tallest office building in Beverly Hills at this time is 12 floors.

New office space constructed between 1998 and 2007 was primarily located in Santa Monica and Century City, and secondarily in Beverly Hills. Recently constructed space constitutes 13 percent of the inventory in Santa Monica and Century City, and four percent of the Beverly Hills inventory. There was minimal new construction in the Westwood, Miracle Mile and Mid-Wilshire markets over this period. In Santa Monica, there has been a relatively steady stream of new office construction over the last 10 years, with the largest growth in 2000 when 1 million square feet were developed (mostly at the upscale Water Garden complex). In Century City, there were two major office construction projects in 2003 (MGM Tower) and 2007 (Century Park), each involving large buildings of 775,000 square feet. In Beverly Hills, there have been six new office buildings developed in the last 10 years, five of which are smaller than the average existing building. All of the new buildings are three or four floors in height. The largest new building in the City, which is located at 407 N. Maple Drive, contains 164,000 square feet.

Figure 1-16: Office Space Square Footage by Building Age, 2007

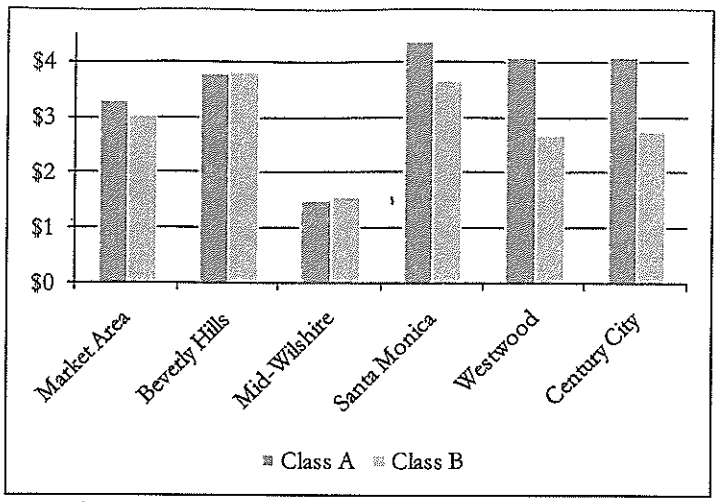
Office buildings in Beverly Hills are older than in adjacent Century City and Westwood. Nearly half of square footage in Beverly Hills is in buildings that are more than 40 years old. By comparison, 14 percent in Century City and 18 percent in Westwood is that age, as shown in Figure 1-16.



The weighted average building age in Beverly Hills is 41 years overall and 35 years for Class A. By comparison, overall average Century City age is 28 years, Westwood 31 years, Miracle Mile 40 years, and West Hollywood 44 years. For Class A space, only Miracle Mile space is older on average than Beverly Hills space.

In addition to constructing new space, there has been investment in office buildings through renovations, although the quality and extent of the renovations are not recorded in the building data. Beverly Hills property owners are more likely to invest in renovations for higher class buildings and for taller buildings. Half of Class A buildings have been renovated, representing 59 percent of Class A square footage. By comparison, 29 percent of Class B buildings and 9 percent of Class C buildings have been renovated. Renovated Class A buildings are eight floors in height on average, whereas Class A buildings that have not been renovated are four floors on average. The average Class A building age at the time of renovation was 30 years. The oldest Class A buildings that have not been renovated were built in 1924 and 1960. Class B buildings tend to be older (41 years) at the time of renovation than renovated Class A buildings.

Figure 1-17: Monthly Rent per Square Foot, 2007

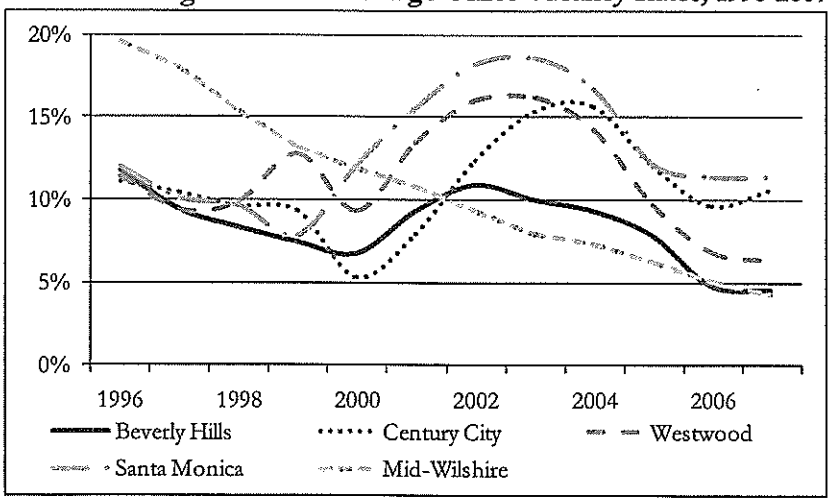


Rents provide an indication of how office tenants value various office locations. Asking rents vary based on amenities, building age, location, and other factors. In addition, research indicates that office tenants value security/public safety as well as proximity to restaurants and retail, to the owner's home, an educated labor pool, complementary businesses, and other amenities. Rents in the West Los Angeles Market are higher than in the Downtown Los Angeles Market, where Class A space is $2.65 per square foot per month, and Class B space is under two dollars.

Beverly Hills lags slightly behind Santa Monica and Century City in asking rents for Class A space, as shown in Figure 1-17. This differentiation could indicate that Class A office tenants value a Santa Monica or Century City location slightly more than a Beverly Hills location. This could be due to premiums for new space or views from high stories. Beverly Hills has the highest asking rents for Class B space in the West LA/Mid-Wilshire market area.

There is little difference between Class A and Class B rents per square foot in Beverly Hills and in Mid-Wilshire. Possible explanations for a lack of price differentiation include little difference in quality between the classes or the prestige of a certain address may be more important than building amenities.

Figure 1-18: Average Office Vacancy Rates, 1996-2007



Vacancy rates also illustrate tenant demand, although construction of new office space complicates comparisons of markets. Total vacancy in the West Los Angeles and Mid-Wilshire markets is less than six percent in 2007. In comparison, total vacancy in Downtown Los Angeles is nine percent.

In Beverly Hills, the office vacancy rate in 2007 is lower than competitor areas, as shown in Figure 1-18. Rates in Century City, Santa Monica and Westwood have consistently been higher than in Beverly Hills over the past ten years.

Office absorption in recent years has been rent-sensitive; it has been greatest for Class B and C space, and more modest for the Class A market. The most significant trend in the market area is steady absorption of lower-cost Class A space in the Mid-Wilshire sub-market. Although this area was much less desirable ten years ago, Class A vacancy rates in the Mid-Wilshire area have declined to levels comparable with the remainder of the market area. This means that Beverly Hills faces increased competition from the east than it did ten years ago, and that the Mid-Wilshire area is a competitor area to watch.

RETAIL SPACE

Businesses occupying retail space in Beverly Hills have a workforce of over 7,000 employees. Clothing stores are the largest retail component, with more than 1,700 employees. Average pay in the Beverly Hills retail cluster ($45,729) is high for retail, but 44 percent lower than the City average. Auto and jewelry stores pay employees relatively well for the sector, while clothing and shoe stores pay less.

Table 1-19: Retail Job Growth, 2001-6

Industry	Beverly Hills	Los Angeles County	Nation
Retail Space			
Retail	7 %	7 %	1 %
Luggage and Leather Goods Stores	7 %	-16 %	-13 %
Jewelry Stores	24	-3	-3
Art Dealers	-12	-11	-14
Clothing Stores	24	21	14
Home Furnishings Stores	55	18	12
Shoe Stores	52	111	20
New Automobile Dealers	65	2	0

Source: Burr Consulting computations based on 2001 and 2006 QCEW data

Retail cluster employment overall grew by seven percent from 2001 to 2006, the same rate as in the county but faster than that in the nation (one percent). The highest relative growth occurred in home furnishing stores (55 percent versus 18 percent in the county) and in car dealerships (65 percent versus two percent in the county), as shown in Table 1-19. Clothing, jewelry, and leather goods stores as well as art and auto dealers are particularly attracted to Beverly Hills and contribute significantly to the sales tax base. Key businesses in the cluster include Saks Fifth Avenue, Barney's of New York, and Neiman Marcus (see Table 1-20).

The Beverly Hills brand attracts high-end retailers and department stores, which are top sales tax revenue generators. The anchor department stores along the south side of Wilshire are the largest sales tax generators with $542 million in taxable sales in 2006. Rodeo Drive sales were $406 million. The remainder of the Triangle area, which includes Beverly Boulevard, Cañon Drive, and other streets, generated another $392 million in sales in the past year. The Wilshire corridor east of the Business Triangle generated $233 million in taxable sales, with the majority of this activity west of Robertson.

Beverly Hills has followed the general retail sales growth trend among its adjacent competitors in the last few years. Sales growth was negative in 2001 and 2002. The economic slowdown (2001 through early 2003), 9/11, and increased market competition may have had a disproportionate impact on the City through the decline in tourism. In addition, absorption of The Grove into the market area has been a significant phenomenon over the prior five years. Urban Design Program construction—street and sidewalk replacement—on Rodeo Drive in late 2003 and early 2004 may

have played a role in the slow recovery. There was strong growth in mid-2004, followed by some decline in 2005 and 2006, although these years still showed positive growth.

First quarter sales of 2007 in the Triangle (including department stores) outperformed the Grove, Century City and the Beverly Center combined. However, growth rates in Century City and the Grove are outperforming all other areas across 2006 and into the first quarter of 2007. The Beverly Center performed the worst during this time, but has recovered from two quarters of negative growth.

Table 1-20: Luxury Retail Cluster Key Businesses, 2006

Firm	Industry	Primary BH Location	Top 100 Taxpayers	Top 150 BL Taxpayers	Employers of 100+
Saks Fifth Ave	Department Store	9600 Wilshire Blvd	X	X	X
Barneys Of New York	Department Store	9570 Wilshire Blvd	X	X	X
Neiman Marcus	Department Store	9700 Wilshire Blvd	X	X	X
Beverly Hills Mercedes Benz	Car Dealer	9250 Beverly Blvd	X	X	X
Ogara Coach Company	Car Dealer	8833 W. Olympic Blvd	X	X	
Jim Falk Lexus	Car Dealer	9230 Wilshire Blvd	X	X	X
Beverly Hills Porsche Audi	Car Dealer	8423 Wilshire Blvd	X	X	X
Beverly Hills BMW	Car Dealer	8825 Wilshire Blvd	X	X	X
Tiffany & Co	Jewelry Store	210 N Rodeo Dr	X	X	
Cartier Inc	Jewelry Store	370 N Rodeo Dr	X	X	
Gucci	Family Clothing Store	347 N Rodeo Dr	X	X	
Ferrari Of Beverly Hills	New and Used Car Dealers	9372 Wilshire Blvd	X	X	
Louis Vuitton Stores	Luggage & Leather Goods Store	295 N Rodeo Dr	X	X	X
Chanel Boutique	Women's Clothing Store	400 N Rodeo Dr	X		
Polo Ralph Lauren	Family Clothing Store	444 N Rodeo Dr	X	X	
Prada Beverly Hills	Family Clothing Store	343 N Rodeo Dr	X		
Hermes Of Paris	Luggage & Leather Goods Store	434 N Rodeo Dr	X		
Gearys Stores	Homefurnishings Store	351 N Beverly Dr	X	X	
Dolce Gabbana	Women's Clothing Store	312 N Rodeo Dr	X		
Giorgio Armani Boutique	Family Clothing Store	436 N Rodeo Dr	X		X
Nike Town	Shoe Store	9560 Wilshire Blvd	X		
Escada USA Retail	Women's Clothing Store	9502 Wilshire Blvd	X		
Harry Winston Jewelers	Jewelry Store	371 N Rodeo Dr	X		
Ermenegildo Zegna	Men's Clothing Store	301 N Rodeo Dr	X		

Sources: Dun & Bradstreet, InfoUSA, Burr Consulting, MuniServices Co.

The luxury retail sector is fueled by the spending power of Beverly Hills residents, as well as commuters and tourists. Beverly Hills residents are among the wealthiest in the metropolitan area. Within a five-mile radius of the intersection of Wilshire Blvd. and Rodeo Dr., residential incomes amount to over $30 billion; within a ten-mile radius, residential incomes amount to $79 billion. There are nearly 22,000 households with incomes greater than $250,000. This is more than double

the concentration countywide. Commuters spend money on restaurants, gasoline and other items while in Beverly Hills. If they spend on average ten dollars daily in the City, then the worker base can be expected to generate approximately $91 million in spending annually.

Luxury retailers in particular rely on upscale hotels to draw high-income tourists into their shops. Beverly Hills attracts both business travelers and tourists to its hotels, attractions and amenities. Visitors who stay in hotels in Beverly Hills have high incomes and spend exceptionally greater amounts during their visits than the state or national average. They spend nearly $1 million per day or $335 million annually in the City.

Growth and Relocations

Competition for upscale retail tenants has grown over recent years, but the retail sector is steadier than office-based clusters. There have been several additions to the City's luxury retail sector in the past year. Chanel recently reopened on Rodeo after renovating their current space rather than leave the City. Other style arbiters including Ferragamo and Bottega Veneta have also renovated their Rodeo locations. Other retail openings include James Perse, Lisa Kline, Switch, Garrard, The Celebrity Vault, David Yurman, Lululemon, and Dawson Cole Fine Arts. Harry Winston opened a flagship store on Rodeo Drive early in 2006. Some leading designers and luxury retailers, however, have recently chosen to locate in nearby areas access to a youthful and affluent demographic, such as Melrose Avenue. There is also recent duplication of the City's luxury stores, including the opening of a Bulgari store at South Coast Plaza.

Sales tax permits in the City indicate that there is notable fluctuation in businesses in retail space each year. From 2003 to the first quarter of 2007, 381 new sales tax permits were granted, but 445 permits were closed. Although there is a net loss of permits, this data is most instructive on fluctuation rather than economic impact, as the permit data does not indicate workforce size.

Mixed-use projects, which incorporate retail and residential uses, are a growing trend in the county. Limited available land and high construction costs encourage high-rise design where cities allow. Within Beverly Hills, the former site of Robinson's May has been sold for the construction of luxury condominiums with mixed use space. Although the plan promises 20,000 square feet of new retail space, this change in land use will be a loss to the retail sector and retail-related city revenue from department store use.

Factors influencing site choice for retailers include location, pedestrian traffic, design, amenities, nearby tenants, programming, and area management. The most fundamental requirements for retailers are space, servicing, and parking and accessibility, but creative design, visual interest, character and feel are also important factors.[16] Retail tenants value prime street-front locations—sites that are highly visible, and highly trafficked—such as areas existing throughout the City. While Beverly Hills has successfully established a "healthy identity" and a "pleasing environment", important factors across the nation for retail success,[17] the City should focus on the more basic elements to continue to attract retail tenants. Parking, a lack of street signage and pedestrian directories, and a need for improved traffic control (including left-turn signals) are of primary focus.

[16] Ratcliffe and Stubbs. *Urban Planning and Real Estate Development*, p. 384.

[17] Ibid.

To further build upon the City's retail atmosphere, there is room for improvement in landscaping as well as in casual and ethnic dining in the retail areas.

For trends in taxable sales in Beverly Hills over the prior two business cycles and vulnerability of retail sales to a potential recession, please refer to the section on sales tax in Chapter 2 of this report.

Competitor Analysis

Sales competition overall has increased dramatically in the last years, though the City has consistently performed well. Beverly Hills as a whole has generally followed the retail trend among its adjacent competitors in the last few years. Rodeo Drive has outperformed Century City, The Grove, Santa Monica and South Coast Plaza. The Triangle area overall has outperformed Century City, Santa Monica and The Grove, although The Grove inched ahead of the Triangle in the latest quarter. South Coast Plaza has continued to perform despite competition within its market area with Irvine Spectrum and Costa Mesa. The Beverly Center has outperformed the Triangle during the last several quarters due to solid performance among trendy and luxury stores and to the attraction of new tenants, such as Christian Dior, Lacoste, Ben Sherman, and L'Oreal Paris.

Absorption of The Grove into the market area has been a significant phenomenon over the prior five years. The Grove managed to absorb new retail tenants during the contraction in retail sales experienced elsewhere from 2001 to 2003. Over the last six quarters, growth at The Grove has stabilized to the market average for the area. The Triangle and The Grove have been growing at comparable rates over the last several quarters. Although Rodeo Drive outperformed The Grove, The Grove has slightly outperformed the Triangle as a whole. Beverly Center and South Coast Plaza are the only competitor areas to outperform The Grove in terms of retail sales growth over the past several quarters.

As with office space, rents for retail space indicate tenant demand. Average rent varies substantially among Beverly Hills economic communities and competitor locations (see Table 1-21). Rodeo Drive remains by far the most valued retail location with average rents of $32 per square foot. Average rents on Rodeo Drive are 60 percent higher than in the second most prized location—the Third Street Promenade in Santa Monica. The Los Angeles/Robertson area (between 3rd St. and Beverly Blvd.) ranks third. North Beverly Drive in Beverly Hills and Melrose Place yield relatively high rents as well ($11 per square foot); trailing are The Grove ($10), Century City ($10), Sunset Plaza ($10), Montana Ave. in Santa Monica ($7) and Melrose Avenue between La Cienega and Fairfax ($8.50). Rents on Cañon and South Beverly Drives in Beverly Hills ($6-7) are comparable to Hollywood/Highland and Melrose Avenue in West Hollywood between La Cienega and Doheny.

The lowest retail rents in Beverly Hills are found along Robertson. Rents on North Robertson in Beverly Hills ($3.50) are substantially lower than adjacent areas in City of Los Angeles ($11), indicating significant potential for this area

Table 1-21: Retail Monthly Rents by Area, 2007

Retail Area	Maximum Rent 2007	Average Rent 2007	Average Rent 2006
Beverly Hills			
Rodeo Drive – 300 Block	$45.00	$32.00	$25.00
Rodeo Drive – 200 and 400 block	.	27.00	22.00
N. Beverly Drive	14.00	11.00	10.00
S. Beverly Drive	8.00	6.00	5.00
Canon Drive	8.00	7.00	5.00
N Robertson Blvd	5.00	4.00	3.50
S. Robertson Blvd	4.00	3.50	3.00
Santa Monica			
3rd Street Promenade	25.00	20.00	15.00
Montana Avenue	8.00	7.00	7.00
Los Angeles			
N. Robertson (3rd St. to Beverly Blvd.)	18.00	15.00	12.00
Century City Mall	.	10.00	8.00
The Grove	.	10.00	9.00
Sunset Plaza	.	10.00	7.75
Hollywood & Highland	.	6.00	5.00
Melrose Avenue (La Cienega to Fairfax)	14.00	8.50	7.00
Melrose Place	16.00	14.00	10.00
West Hollywood			
Melrose Avenue (La Cienega to Doheny)	10.00	8.00	5.00

Source: CBRE luxury retail broker Neal Golub.

Notes:

(1) Average rents are per square foot and are estimates provided in September 2007. Actual rents vary with corner and other high-traffic locations, size of space, neighboring tenants, and year of original lease.

(2) Sunset Boulevard just west of La Cienega

(3) Melrose Place is a one-block area north of Melrose Avenue.

SERVICE SPACE

There are 8,516 employees at 107 employers in space designed for service activities. This includes hotels, restaurants and salons. Average pay in these spaces is relatively low to all other areas ($29,254). Only one cluster is categorized in this type of space: tourism and luxury services.

Tourism/Luxury Services

Hotels, restaurants and personal care services have the lowest average pay levels of all industry clusters. Hotels and restaurants, however, supply a large number of jobs (over 3,000 each). Personal care services (including beauty salons and barbers) are smaller organizations, averaging seven employees per establishment for a total workforce just over 700.

There are 14 hotels in Beverly Hills offering 2,028 rooms. Key hotels include The Regent Beverly Wilshire, Hilton Hotels, and The Beverly Hills Hotel (see Table 1-22). Hotel income is a major revenue generator for the General Fund. Key restaurants in the City include Mastro's Steakhouse, Spago Restaurant, and Lawry's Prime Rib Restaurant. Although these restaurants are not in the top business license taxpayers, they have over 100 employees each and contribute greatly to the general fund.

Table 1-22: Tourism/Services Cluster Key Businesses, 2006

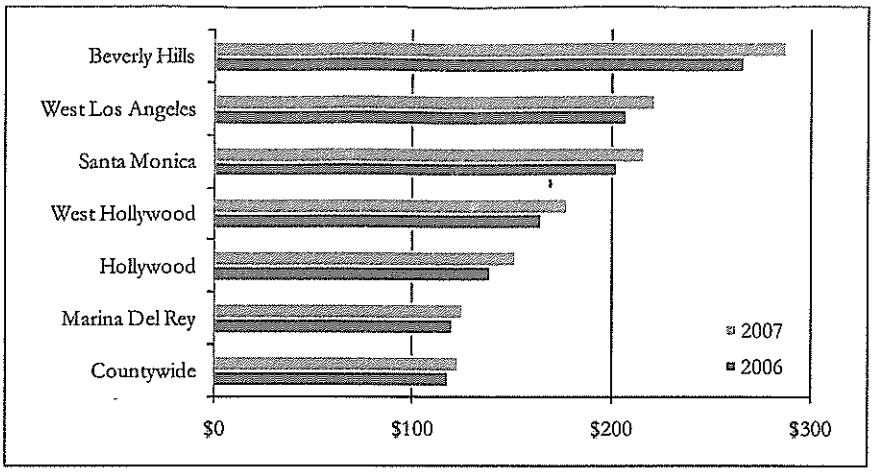
Firm	Industry	Primary BH Location	Top 100 Taxpayers	Top 150 BL Taxpayers	Employers of 100+
Regent Beverly Wilshire	Hotel	9500 Wilshire Blvd	X	X	X
Hilton Hotels	Hotel	9876 Wilshire Blvd	X	X	X
Beverly Hills Hotel	Hotel	9641 Sunset Blvd	X	X	X
Peninsula Beverly Hills	Hotel	9882 Santa Monica Blvd	X	X	X
L'Ermitage Hotel	Hotel	9291 Burton Way	X	X	X
Luxe Hotel	Hotel	360 N Rodeo Dr	X	X	
Avalon Hotel	Hotel	9400 W Olympic Blvd	X	X	
Maison 140 Hotel	Hotel	140 S Lasky Dr	X		
Beverly Pavilion Hotel	Hotel	9360 Wilshire Blvd	X	X	
Mosaic Hotel Beverly Hills	Hotel	125 S Spalding Dr	X	X	
Beverly Crescent Hotel	Hotel	403 N Crescent Dr	X		
Beverly Terrace Hotel	Hotel	469 N Doheny Dr	X		
Mastro's Steakhouse	Full-Service Restaurant	246 N Canon Dr	X		X
Spago Restaurant	Full-Service Restaurant	176 N Canon Dr	X		X
Lawry's Prime Rib Restaurant	Full-Service Restaurant	100 N La Cienega Blvd	X		X
Fogo De Chao	Full-Service Restaurant	133 N La Cienega Blvd	X		
Jose Eber	Beauty Salon	224 N Rodeo Dr			X

Sources: Dun & Bradstreet, InfoUSA, Burr Consulting, MuniServices Co.

Beverly Hills hotel occupancy rates lagged behind the county average from 2000 to 2005. As of 2006, hotel occupancy rates have recovered from the economic downturn beginning in 2001, and the City just surpassed the overall county rate. Based on the average hotel occupancy rate of 76 percent in 2006 and a median group size of 1.5 for guests at Beverly Hills hotels, there are approximately 2,300 visitors staying at the City's hotels on an average day.

Visitors who stay in hotels in Beverly Hills have high incomes and spend exceptionally greater amounts during their visits than the state or national average. The median income of the Beverly Hills visitor was $91,600 in 2004, which is 37 percent higher than the median income of California visitors as a whole. Visitors to Beverly Hills are much more likely to have arrived by air (76 percent) than are California visitors as a whole (21 percent) or visitors nationally (25 percent). Visitors arriving by air tend to spend more than other visitors, because of both the cost of air fares and because air travelers tend to spend more on other travel-related purchases, such as accommodations, food and entertainment.

Figure 1-23: Hotel Rates in Beverly Hills and Nearby Cities, 2006-7



The average hotel guest in Beverly Hills paid $266 per night in 2006, more than double the average rate paid countywide ($118 per night). Comparisons are shown in Figure 1-23.[18]

Forty-six percent of Beverly Hills hotel rooms are in luxury hotels with five-star ratings. Fifty-one percent of rooms are upper-scale with four or three-star ratings, referencing quality, personalized service, convenience, and comfort. The remaining four percent of rooms are basic with one-star to two-star ratings.

Growth

Table 1-24: Tourism Industry Job Growth, 2001 to 2006

Industry	Beverly Hills	Los Angeles	Nation
Service Space			
Tourism	14 %	12 %	10 %
Hotels and Motels	19	-1	0
Personal Care Services	5	13	17
Full-Service Restaurants	19	-1	0

Source: Burr Consulting computations based on 2001 and 2006 QCEW data

From 2001 to 2006, tourism employment grew by 14 percent in the City. Hotel employment grew by 19 percent in the City versus a one percent decline in the county (see Table 1-24). Full-service restaurants grew four percentage points slower than in the county, expanding by 13 percent. Personal care services also grew more slowly than the county, a five percent expansion versus 13 percent.

Sales tax permit data in the City indicate that there is substantial turnover in this industry. From 2003 to the first quarter of 2007, the City processed 77 new permits and closed another 129. Other services also fluctuated with an overall declined in permits over this time, gaining 103 but closing 147.

This cluster is particularly impacted by the state of the national and global economies. Hotel sales growth spiked in FY 1995-96 after contracting during the downturn of the early 1990s; increased dramatically again during the expansion of the late 1990s; declined significantly after 9/11; and grew markedly again in the last three fiscal years. Despite this volatility, this revenue stream has experienced a greater average long-term growth rate than that from the other three major taxes, growing four percent on average annually in real terms.

[18] PKF Consulting Hotel Industry Trends.

There is a symbiotic relationship between hotels and the types of businesses that hotel guests wish to frequent. Beverly Hills offers restaurants, destination shopping, tours, and personal services. Retailers rely on the success of hotels and tour operators to enhance revenues through tourist spending power. Car rental companies, night life and recreation services are under-represented in the City's economic base, even though they serve hotel visitors. In the luxury service cluster, private security services and dry cleaning services are under-represented among the City's employers. The luxury services cluster has a symbiotic relationship with plastic surgery in that both industries draw similar customer bases with relatively high incomes and strong demand for beauty services, products, and procedures.

Growth and Relocations

Growth in hotels will continue in October 2008 with the opening of The Montage Beverly Hills in the Golden Triangle. In addition, the newly renovated Beverly Hilton is seeking approval to construct a Waldorf Astoria Collection expansion with 120 rooms.

Recent additions to luxury restaurants in the City include Wolfgang Puck's new steakhouse, Cut, at the Regent Beverly Wilshire. The Montage will also buttress these areas, as it will include three restaurants and a 20,000 square foot spa.

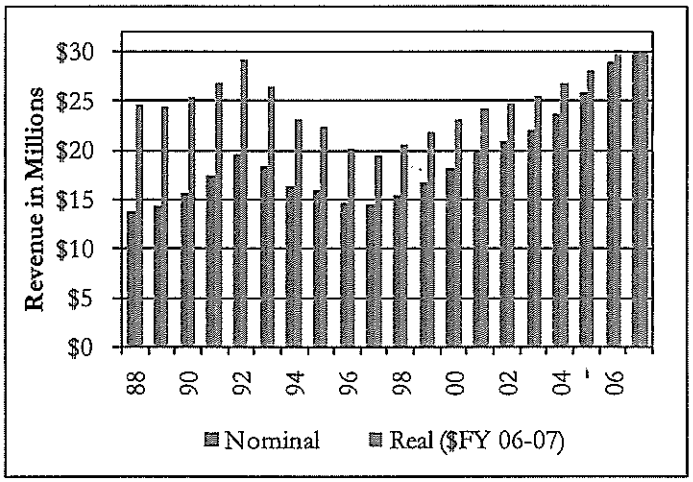
2. FISCAL TRENDS

GENERAL FUND REVENUES

The City's major tax revenue sources are property, sales tax, transient occupancy (hotel), and business license taxes. Combined these constitute about three-quarters of general fund revenue.

PROPERTY TAX

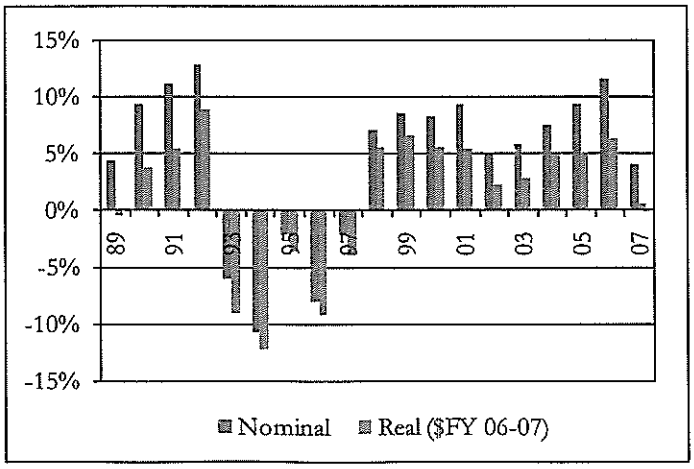
Figure 2-1: Property Tax Revenue, FY 88 – FY 07



The City's property tax revenue grew from $19 million in FY 96 to $31 million in FY 07, as shown in Figure 2-1.[19] Revenues lag business cycles by up to two years, because revenues are based on prior-year assessed value, and because buyers and sellers try to wait out market fluctuations.

In 1992 and 1993, the Legislature began shifting local property taxes to school districts and community college districts in response to State budget deficits to reduce the amount paid by the State general fund. As a result, Beverly Hills and other local agencies throughout the State lost significant tax revenue.

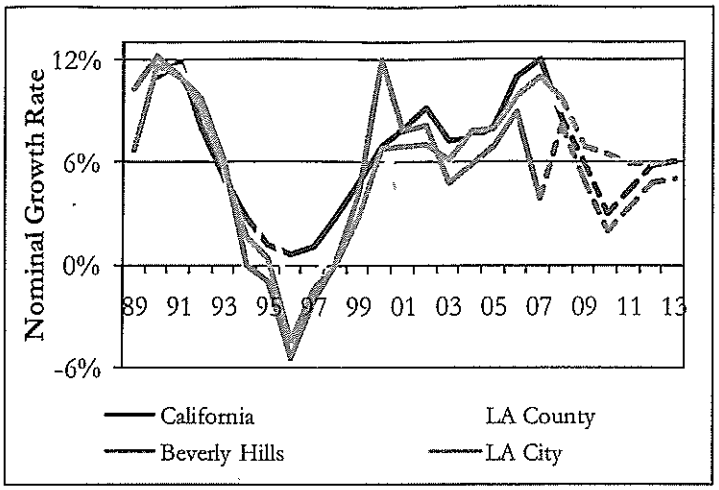
Figure 2-2: Property Tax Revenue Growth, FY 89 – FY 07



Revenues grew most dramatically prior to the recession of the early 1990s, and declined significantly during the recession and earthquake aftermath. Since FY 97, property taxes have grown by eight percent annually in nominal terms, and five percent annually in real terms. Growth slowed in FY 07 to its slowest pace since recovery from the recession of the early 1990s.

[19] Historical revenues were deflated using the CPI-U for the Los Angeles metropolitan area, and are expressed in FY 07 dollars. Property taxes received in lieu of vehicle license fees since FY 06 are excluded, and are included instead in other general fund revenue.

Figure 2-3: Assessed Value Growth Rate and Projections, FY 89- FY 13



The trend in property values in Beverly Hills has been similar to the countywide trend and the trend in the City of Los Angeles, as shown in Figure 2-3.[20] The statewide trend is similar, except that the recession of the early 1990s was deeper in southern California than the state as a whole due to localized effects of the recession and 2004 earthquake.

The Legislative Analysts' Office (LAO) projects statewide assessed value growth will slow from 12 percent in FY 07 to below nine percent in FY 08, about six percent in FY 09, and about three percent in FY 10, before rebounding in subsequent years to about six percent.[21] Assessed value growth in Beverly Hills has trailed the statewide trend by about one percentage point over the last two business cycles. This study projects the City's property tax revenue growth will be comparable to the LAO forecast statewide less one percent. By comparison, The City of Los Angeles projects assessed value growth will slow gradually from 11 percent in FY 07 to 7 percent in FY 09, 6.5 percent in FY 10 and 6 percent thereafter.[22]

Residential property (market) values fell countywide by five percent over the prior year as of October 2007.[23] Assessed value is lower than market value for properties that have not been sold in some time, and unlikely to be reduced. However, continued declines in property values could lead to some properties being re-assessed downwards. Properties purchased during the 2004-7 period of rapid property value escalation are vulnerable to re-assessments if property values continue to fall.

Municipal property tax revenues have been vulnerable in the past to reduction by the State during difficult economic times. There were temporary reductions of $1.9 million in City property tax revenues in FY 05 and FY 06 related to the State budget crisis.[24] However, Proposition 1-A passed by voters in 2004 increased the legislative voting threshold from a majority to two-thirds vote for shifting property tax revenue allocations among local agencies. Hence, the State is unlikely to reduce City property tax allocations as a result of economic downturn or state budget deficits.

---

[20] Assessed value sources: Los Angeles County Auditor-Controller and Assessor, California State Controllers Office, California Board of Equalization.

[21] Legislative Analyst's Office, November 2007, p. 31.

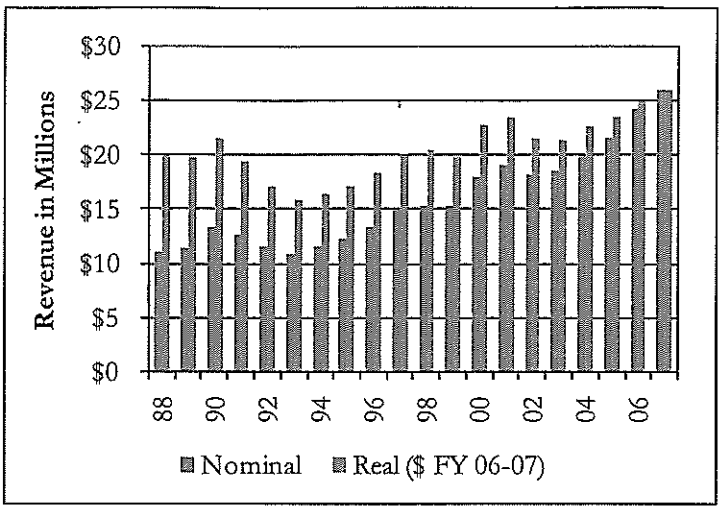
[22] City of Los Angeles, 2007, p. 10.

[23] Dataquick Information Systems, *California Home Sale Price Medians by County and City, Home Sales Recorded in October 2007*, http://www.dqnews.com/ZIPCAR.shtm, 2007.

[24] The City categorizes these revenue losses under other general fund revenue, rather than property tax revenue.

SALES TAX

Figure 2-4: Sales Tax Revenue, FY 88 – FY 07

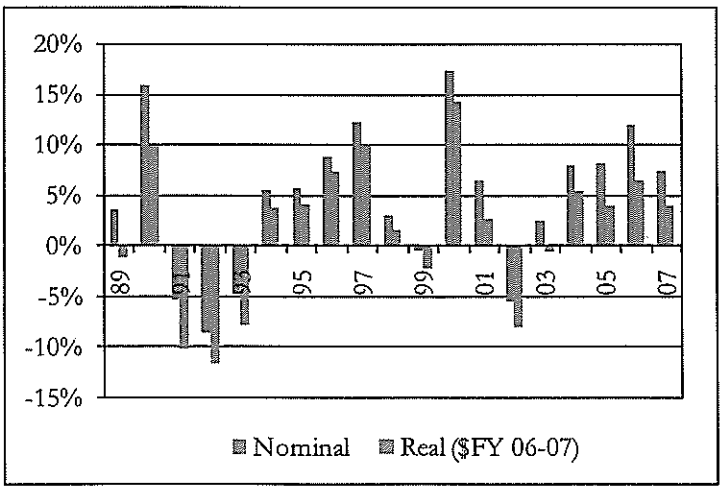


The City's sales tax revenue reached $26 million in FY 07. At its low point in FY 93, sales tax revenue was $16 million.

Sales tax revenue is distributed based on retailer location. The tax rate did not change, but the volume of taxable sales in the City has fluctuated. A quarter of local sales tax has been distributed to cities in the form of an in-lieu property tax since the 2003-4 State budget crisis, but that revenue is still allocated based on taxable sales and has been included in the totals shown in Figure 2-4.

Compared with other cities, the City receives substantially more sales tax revenue on a per capita basis ($607) than the county average ($131) in FY 06.[25] Beverly Hills department stores are the top industry sales tax generator, contributing over one fifth of the City's total sales tax revenue. Apparel, auto dealers, and miscellaneous retail (e.g., jewelers) each generate about one sixth of the revenue. Restaurants rank fifth, followed by hotels and furniture stores.

Figure 2-5: Beverly Hills Sales Tax Growth, FY 88 – FY 07

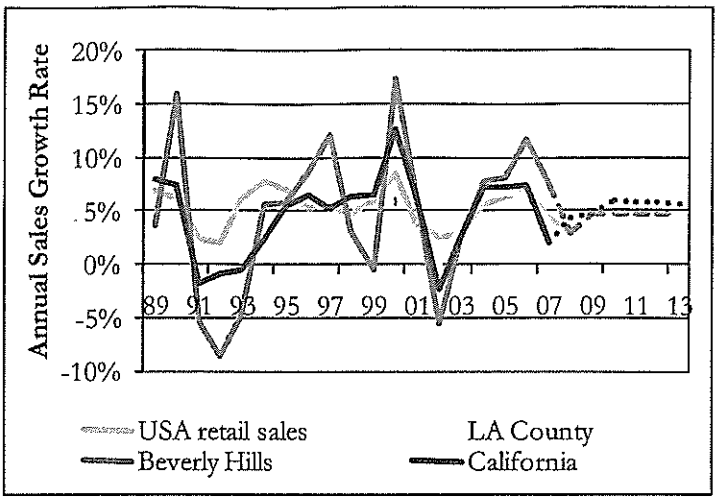


Sales tax revenues are cyclical, declining during the 1991-93 and 2001 recessions and growing in expansionary years. The City experienced a downturn in sales from early 2001 through the end of 2002. Subsequently, sales grew at increasing rates through the middle of 2004 and slowed in 2005. Growth slowed in FY 07, a year when two auto dealerships moved out of the City.

Nominal sales tax revenue in the City grew 4.8 percent annually on average over the last two business cycles. Real sales tax revenue grew about 1.6 percent annually on average over the last two business cycles, and 2.7 percent during the most recent cycle.

[25] Data sources are Board of Equalization (taxable sales) and California Department of Finance (population).

Figure 2-6: Sales Growth Rate and Projection, FY 89 – FY 13



Taxable sales growth slowed countywide and retail sales slowed nationally in FY 07, as shown in Figure 2-6.[26] Sales primarily of autos and other durable goods have declined. Taxable sales in Beverly Hills has generally grown faster than the county average during peaks and faced steeper declines in troughs in the past. The City's sales growth in FY 07 was a healthy 7.4 percent, higher than average but lower than the 12 percent growth rate in FY 06.

UCLA projects statewide sales growth slowing by the end of 2007 with downside risk of recession, specifically growth of four percent in 2007 and 2008, and five percent in 2009.[27] The California Legislative Analyst's Office also projects sales growth slowing, but is somewhat more optimistic than UCLA with expectations of five to six percent annual sales growth through FY 13.[28] Local projections are somewhat lower. This study projects the City's sales tax revenue growth will be three percent in FY 08, followed by 4.8 percent in subsequent years. By comparison, the City of Los Angeles projects 4.5 percent annual growth in taxable sales through FY 13.[29] Santa Monica projects 4.0 percent growth in FY 08, improving to between five and six percent by FY 09.[30]

Business Cycle

Luxury purchases by tourists and local shoppers with middle and upper-middle incomes decline during times of economic hardship, making the City's retail sales vulnerable to business cycles. Beverly Hills typically experiences greater contraction in its retail sales during recessions than the nation, the state or the metropolitan area.

At the time this report was prepared, there were indications of an imminent or underway recession—global stock market sell-off, emergency Federal Reserve Board ¾ percentage point interest rate cut, and proposed $150 billion federal stimulus package.

The outlook for retail sales in 2008 was dampened by a national growth slowdown in 2007. In prior years, growth averaged six percent annually. Sales growth during the November-December

[26] California Department of Finance, Economic Research Unit, *Statistical Abstracts*; City of Beverly Hills Finance

[27] UCLA Anderson Forecast, September 2007, p. 81.

[28] Legislative Analyst's Office, November 2007.

[29] City of Los Angeles, 2007, p. 10.

[30] City of Santa Monica Finance Director, Presentation to City Council, Oct. 13, 2007.

2007 holiday season had grown 2-4 percent over the prior year.[31] Auto dealers, home furnishings stores and department stores were most affected by declining sales, while gasoline stations, grocery and electronics stores posted the highest gains. In California, consumer sales growth has been weaker than the national average (0-1 percent) due to the disproportionate effect of the 2006-7 housing market declines.[32]

Luxury retail growth tends to outpace general retail growth nationally.[33] High-income, wealthy consumers are less likely to reduce their spending in response to economic downturns than are consumers of average means. The higher the income, the less likely are luxury consumers to reduce their spending in response to economic fluctuations. Those luxury consumers with upper-middle incomes, however, do tend to reduce their luxury spending in response to fluctuations affecting their wealth (housing and stock market) and incomes (job market). A survey of high-income Americans found that future spending plans declined in the third quarter of 2007; the wealthiest respondents were more optimistic in their economic outlook and spending plans.[34] Another survey found that upper-middle income luxury consumers reduced their luxury spending by 21 percent in the third quarter of 2007, and luxury consumers' confidence declined.[35]

Tiffany, Nordstrom and Macy's stores reported national declines in sales during the November-December 2007 holiday season compared with the prior year; Neiman Marcus and Saks Fifth Avenue reported sluggish growth of less than one percent. Although national car sales volumes declined three percent in 2007 compared with 2006, luxury car sales (cars with a base price of $60,000 or more) grew by three percent over the same period. Among makes sold in Beverly Hills, Lexus and Bentley grew and Mercedes sales were flat nationally.

The potential impact of a recession on future City revenue is significant. If sales in FY 08 decline by two percent, that would result in a $0.5 million revenue loss compared with the prior year and a $1.3 million budget adjustment need (compared with projected revenue). A one-year recession with a sales decline of five percent would result in a $1.3 million revenue loss compared with FY 07 and a $2.1 million budget adjustment need.

---

[31] The International Council of Shopping Centers reported a 2.2 percent gain among chain stores. The U.S. Census Bureau reported a 4 percent gain among sampled retailers, or only 3 percent if gas stations are excluded.

[32] California State Controller, *Statement of General Fund Cash Receipts and Disbursements*, July and December 2007.

[33] The source for luxury retail growth trends is Compustat data covering the 1988-2005 period (Burr and Nunn, 2006).

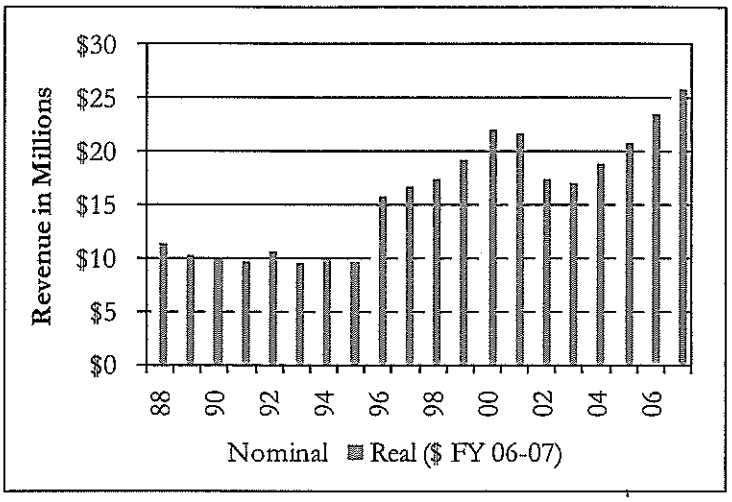
[34] American Affluence Research Center, 2007. This source is a survey of 615 U.S. households with average incomes of $303,000.

[35] Afinety Marketing, 2007. This source is a survey of 1,075 U.S. households with average incomes of $150,000.

HOTEL TAX

Hotel taxes generated $26 million in City revenue in FY 07. The tax is levied on hotel room sales at a rate of 14 percent. There are 14 hotels located in the City with a total of 2,028 rooms. Most of the City's hotel space is deluxe. Nearly half (46 percent) the hotel rooms are at five-star hotels, and another third (35 percent) are at four-star hotels. The average hotel guest in Beverly Hills paid $352 per night in 2006, more than double the average rate paid countywide.

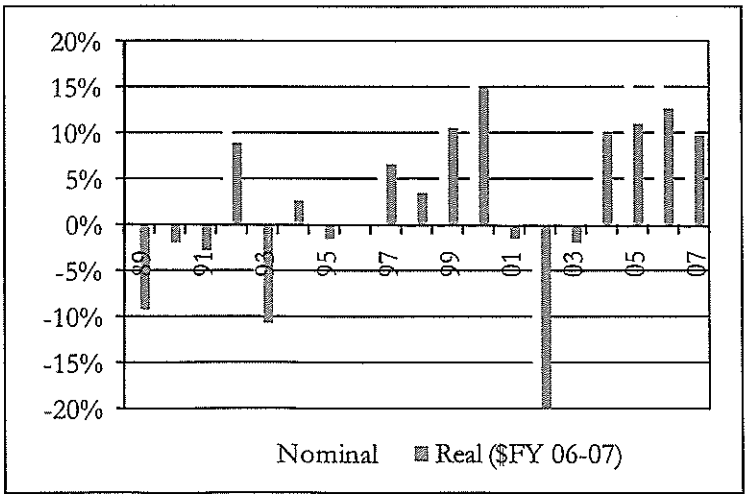
Figure 2-7: Hotel Tax Revenue ($ millions), FY 88 – FY 07



Two of the largest hotels—Beverly Hills and L'Ermitage—closed for renovations in FY 93. The City Council increased the tax rate from 12 to 14 percent in 1994. The Beverly Hills Hotel reopened in FY 95, and L'Ermitage reopened in FY 98. Hotel revenue growth in the late 1990s was strong.

Throughout the Los Angeles area and the nation, hotel occupancy rates fell dramatically in 2001 due to economic downturn and the aftermath of 9/11. Occupancy rates gradually increased thereafter and returned to pre-2001 levels by 2005, according to data provided by PKF Consulting. This trend is consistent with the City's hotel tax revenue experience. Revenues began to decline in the latter part of 2001, and began to recover again in FY 04. By FY 05, revenues had recovered to pre-2001 levels (in both nominal and real terms).

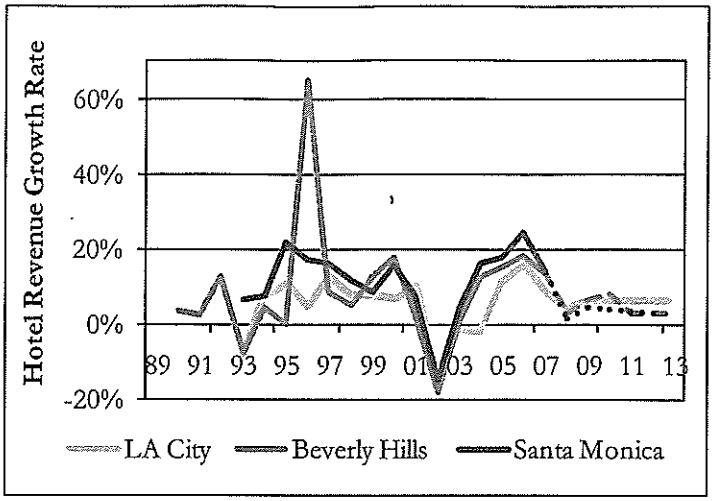
Figure 2-8: Hotel Tax Revenue Growth, FY 88 – FY 07



Hotel tax revenue growth in the City has been volatile. The average real revenue growth rate was four percent over the latest business cycle, but was only 1.8 percent over the last two cycles (ignoring the FY 96 blip related to Beverly Hills Hotel reopening after its two-year renovation closure).

In FY 07, hotel tax revenues continued to grow, decelerating only slightly from the rapid growth in FY 06. Room rates and occupancy rates remain stable. Near-term tourism demand is expected to remain stable due in part to the weak dollar making travel more affordable to foreign visitors.

Figure 2-9: Hotel Tax Trend and Projection

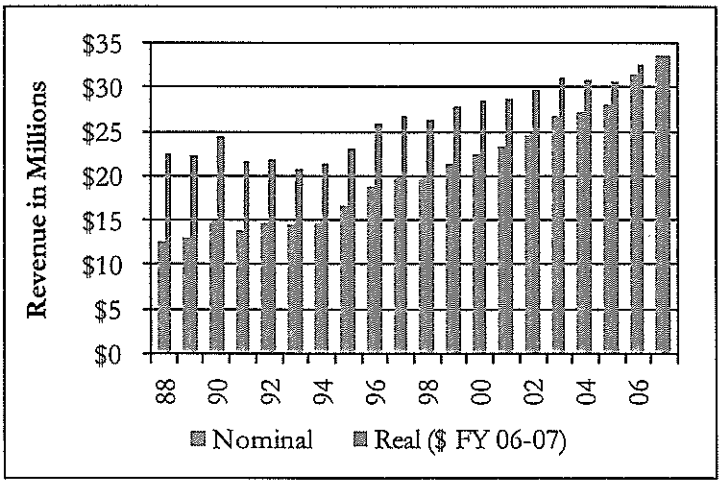


This study projects the City's hotel tax revenue will grow by four percent in FY 08. Hotel tax revenue is projected to increase in FY 09 by seven percent, primarily due to the planned opening of the Montage Beverly Hills in the Golden Triangle with 214 five-star rooms. Growth is projected at eight percent in FY 10 when the Montage will be open for the full year.[36] Revenue growth thereafter is projected at three percent annually.[37] Additional growth is expected if the City approves a proposed 120-room expansion of the Beverly Hilton.

By comparison, the City of Los Angeles projects 7.5 percent growth in hotel tax revenues in FY 08, slowing to 6.5 percent from FY 09 – FY 13.[38] Santa Monica projects 5.5 percent growth in FY 08, slowing to 3.0 percent by FY 12.

BUSINESS TAX

Figure 2-10: Business Tax Revenue ($ millions), FY 88 – FY 07



The business license tax generated $34 million in City revenue in FY 07.

This tax is levied on the basis of gross receipts in the prior calendar year and/or number of employees or professionals. Professionals and service sector businesses pay based on number of employees or professionals. Retailers, building operators and other businesses pay primarily based on gross receipts.

Commercial building operators are

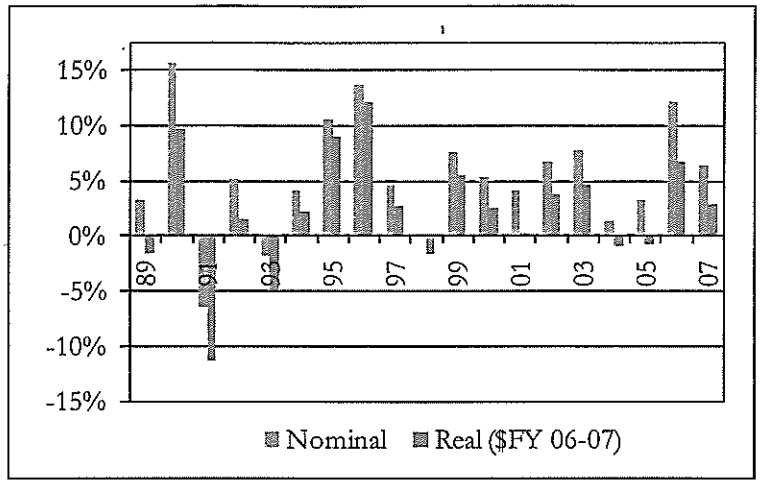
[36] Montage-related growth projections assume the hotel operates 40 percent of FY 09. To account for potential negative impacts of this supply increase on revenue at existing hotels, the projections assume that the five-star Montage yields only 85 percent as much revenue per room to existing rooms in the City.

[37] Nominal revenue per available room in the City increased on average nine percent annually in Beverly Hills between 2002 and 2006 (PKF Consulting, 2007). Due to planned hotel room supply increases, this study assumes three percent growth in hotel room prices and stable occupancy levels.

[38] City of Los Angeles, 2007, p. 10.

the top industry generator of business license tax revenue, accounting for one-third of revenue. Medical offices rank second with nine percent of revenue. Hotels and personal services tie for third in terms of business tax generation, generating eight percent of revenues. Security and commodity brokers and residential building operators tie for fourth with five percent of revenues.

Figure 2-11: Business Tax Revenue Growth, FY 89– FY 07



Business taxes are not as volatile as sales and hotel taxes as they draw more heavily from the office than the retail sector and the tax is paid on an annual rather than quarterly basis. Real business license tax revenue has grown on average at a two percent annual rate over the last two business cycles. During the recession of the early 1990s, revenues declined. As the economy recovered and office vacancy rates declined, revenues increased sharply. Tax revenue has declined slightly in real terms FY 04 and 05, but has grown in real terms since then.

One factor affecting FY 07 revenues was the relocation of several talent agencies to Century City. With the planned departure of Canyon Capital and other potential departures, business license tax revenues will likely remain flat or decline in FY 08. Future business tax growth will depend mostly on the City's success in attracting professional firms to the vacated space, and sales volumes at retailers. Because the tax is based on the number of professionals at office firms, revenues are not as vulnerable to sales among existing office occupants.

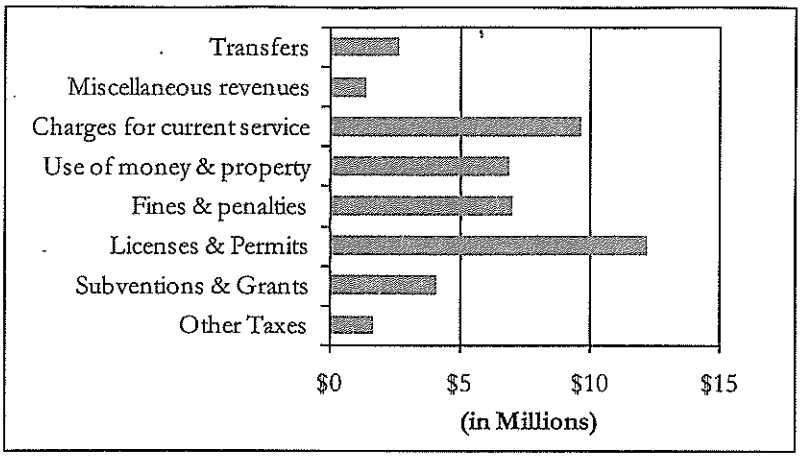
UCLA projects gross receipts growth in the California retail sector of four percent in FY 07 and 08, increasing to five percent in FY 09; among office occupants, UCLA anticipates declines in the finance sector and modest growth among professionals.

This study projects business tax revenue consistent with the sales tax, hotel tax and inflation projections. Business tax revenue generated from office uses (two-thirds of revenue in 2006) is projected to grow with inflation. The tax rate on professionals increases with inflation, and the tax charged on commercial landlords and real estate agents increases with rent charges. Business tax revenue generated from retail and hotel uses is projected to increase consistent with the sales tax and hotel tax projections respectively. In combination, revenue is projected to grow three percent in FY 08, increasing to 3.2 percent in FY 10, and stabilizing at 2.5 percent thereafter. By comparison, the City's business tax revenue has grown at about five percent annually in the past two business cycles. Neighboring cities are projecting somewhat higher growth, although their taxes on professionals are structured differently. Santa Monica anticipates growth of 4.5 percent in business license taxes, and the City of Los Angeles anticipates growth of 3-4 percent in FY 08 and 09, speeding up to five percent by FY 10.

OTHER REVENUE

Sources other than the four major taxes generate about one quarter of the City general fund revenues.

Figure 2-12: Other General Fund Sources, FY 07



The largest category in FY 07 was licenses and permits, which generated $12.2 million, is composed primarily of building permits, plan check fees and other development activity.

The second largest category is charges for services, which generated $9.6 million. This is composed of parking meters (28 percent), recreation fees (26 percent), special event fees (15 percent), and ambulance charges (15 percent). Cities may increase service charges to the amount needed to recover costs without voter approval. The City has increasingly relied on service charges. In FY 04, the City transferred $2.4 million in parking meter revenues from its parking enterprise into the general fund. The City increased fees, especially development-related fees, in FY 06 as part of a fiscal stability plan, completed a fee study in FY 07 and is implementing $1.7 million in fee increases in FY 08 to ensure that certain programs are self-sustaining.

The use of money and property category—interest earnings, oil royalties, rent for City-owned buildings and facilities, and electric franchise fees—generated $6.9 million in FY 07. Revenues increased 17-20 percent in a typical year over the last two business cycles. Revenues tend to decline during recessionary years when sales tax revenue dips, as a result of interest rate decreases.

Fines and penalties generated $7.0 million in FY 07, when 97 percent of revenues in this category were generated by parking tickets. In FY 08, the City plans to increase enforcement and collaborate with other Westside cities to achieve economies of scale in processing payments.

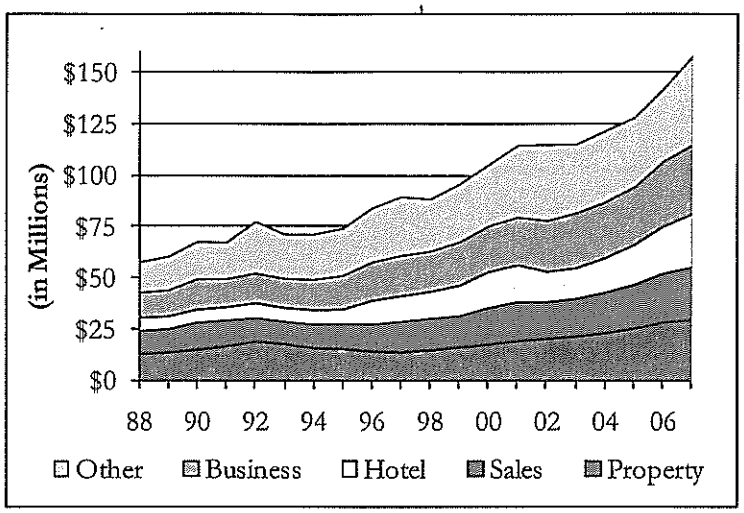
Subventions and grants yielded $4.2 million in FY 07, primarily from property taxes received in lieu of vehicle license fees ($2.4 million) and grants. This category has been volatile over time, and is vulnerable to fluctuations related to State budget deficits. In FY 05 and 06, the category included $1.9 million temporary reductions in property taxes. Grant activity has also fluctuated as the State implements new programs.

The other taxes category is composed primarily of documentary transfer taxes charged when properties change ownership. Related revenues are cyclical and fluctuate with the business cycle and development activity.

TOTAL GENERAL FUND REVENUE

The City's total general fund revenue was $161 million in FY 07, of which $115 million in revenue is from the four major tax sources.

Figure 2-13: General Fund Revenue, FY 88 – FY 07



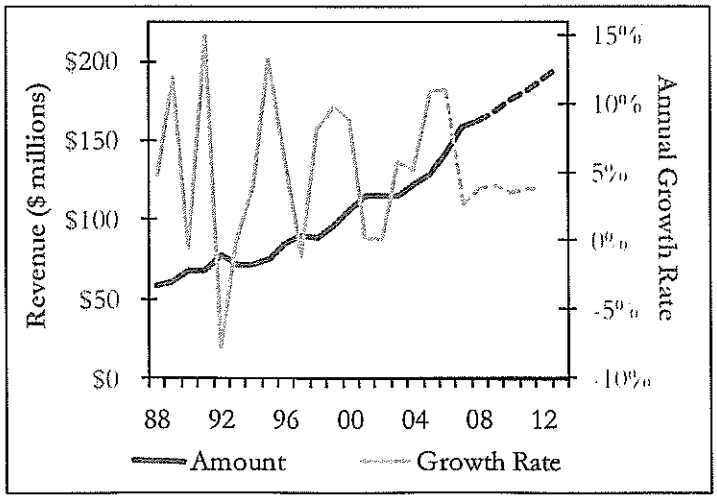
The City's combined general fund revenue has grown by 5.5 percent annually over the last two business cycles, and 5.9 percent annually in the current cycle.

In FY 07, the City's tax revenue increased by 11 percent. Growth rates in FY 07 slowed for major tax revenues. Other revenues increased in FY 07 due to phase-out of the State's temporary property tax shifts, increased building permit activity and fee increases.

Tax revenue declines during the recession of the early 1990s involved losses in all of the major tax revenue streams. The revenue decline in FY 02 was largely attributable to a decline in tourism and related hotel and sales tax activity; partly offsetting the FY 02 decline in those revenue streams were increases that year in business license and property tax revenues.

Projections

Figure 2-14: General Fund Trend and Projection

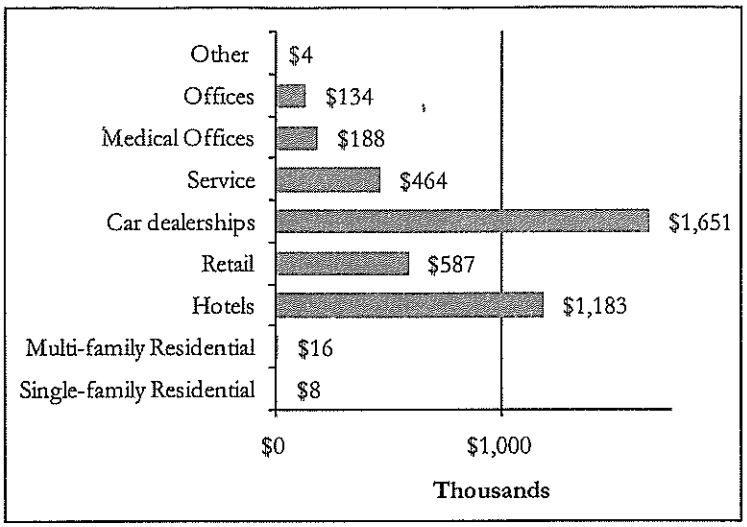


This study projects that development-related revenue activity will decline in FY 08 and FY 09, and that growth in major tax revenue will slow, as shown in Figure 2-14. The projections are consistent with forecasts from UCLA and LAO for sluggish growth in the coming years.

Emerging economic news indicates that economists place the risk of recession in FY 08 at an increasing level, with a probability of about 50 percent. A recession would lead to lower revenue than projected here.

REVENUE BY LAND USE

Figure 2-15: Major Tax Revenue per Acre, 2006

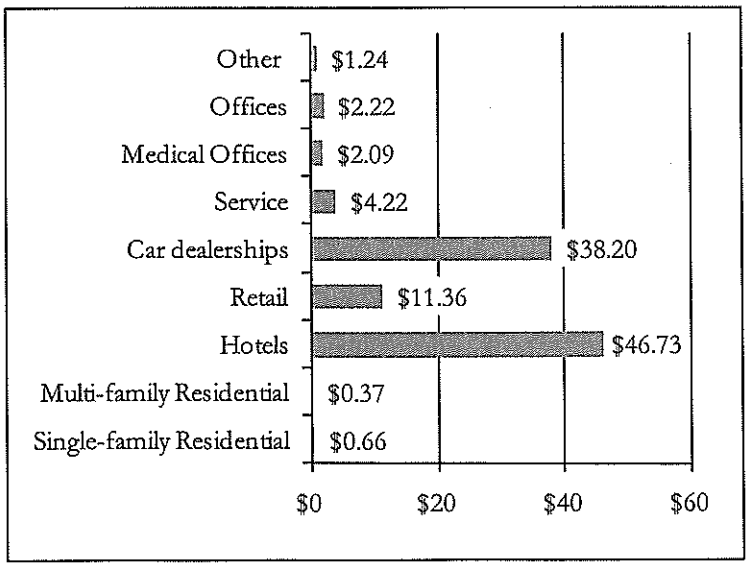


From a tax perspective, commercial land uses are much more valuable than residential.

The average acre of land in the City generated $38,000 in revenue in 2006 from the major tax sources—property, sales, business and hotel taxes. Single-family and multi-family residential generated $8,000 and $16,000 respectively per acre, primarily from property taxes and secondarily from business taxes paid by residential landlords and home-based businesses.

Commercial uses generated on average $199,000 in revenues per acre. Car dealerships and hotels generate the greatest revenue, with $1.7 million and $1.2 million respectively. Retail uses generate $0.6 million per acre. Service uses yield on average $0.5 million per acre, with restaurants and gas stations generating substantially more than hair salons and other service uses. Office uses yield $134,000 per acre on average, with medical office uses generating $188,000 per acre.

Figure 2-16: Major Tax Revenue per Building Square Foot, 2006



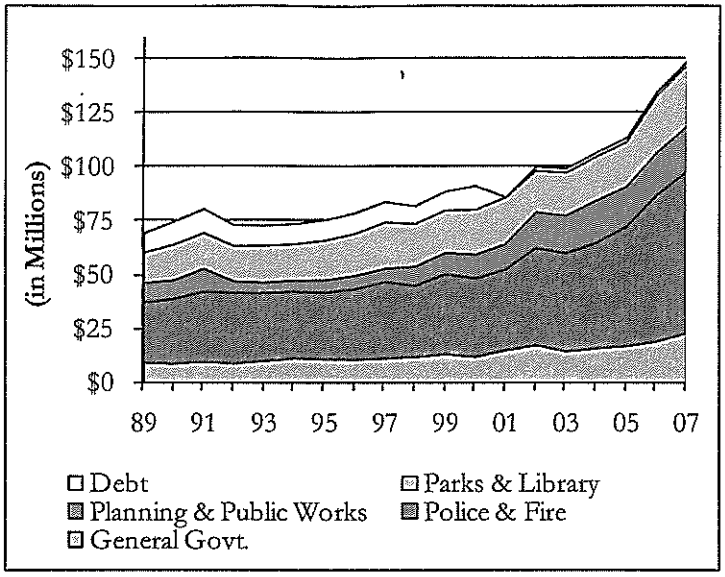
Tax revenue per building square foot exhibits a similar pattern.[39] Notably, office uses generated $2.22 per square foot in annual revenue from major taxes in 2006, and medical offices generated $2.09. Revenue per square foot was $4.22 for service, for retail $11.36, $38.20 for auto dealerships, and $46.73 for hotels.

By comparison, single-family residential generated $0.66 per square foot and multi-family residential generated $0.37 per square foot.

[39] Building square footage from MuniServices GRIP data base was categorized by land use type based on the primary use of the property. The original source for square footage is the Los Angeles County Assessor.

EXPENDITURES

Figure 2-17: General Fund Expenditures, FY 89-07



The City spent nearly $150 million in FY 07 on municipal costs financed by general fund revenues. Half of those costs are for police and fire protection services, as shown in Figure 2-17. One-fifth is for park and library services. One in seven dollars is spent on planning and public works. The remainder is spent on general government and debt service.

In FY 06, the City began shifting to a program budget, in which certain City services were shifted among departments. Although the City had historically counted certain general costs as internal service charges, additional general government functions were reallocated as internal service charges in FY 06 as well.[40] These reporting changes complicate analysis of long-term cost trends.

This study projects future costs based on assumptions regarding cost inflation rates for key components of the City's budget: salaries, health insurance, retirement contributions, and inflation in supply costs, as well as the assumption that service levels remain constant.

The City's general fund costs in FY 07 were composed primarily of employee salaries (34 percent), employee benefits (13 percent), supplies and outside services (19 percent), internal charges (26 percent), and miscellaneous costs, such as bond proceeds and payments to the school district.

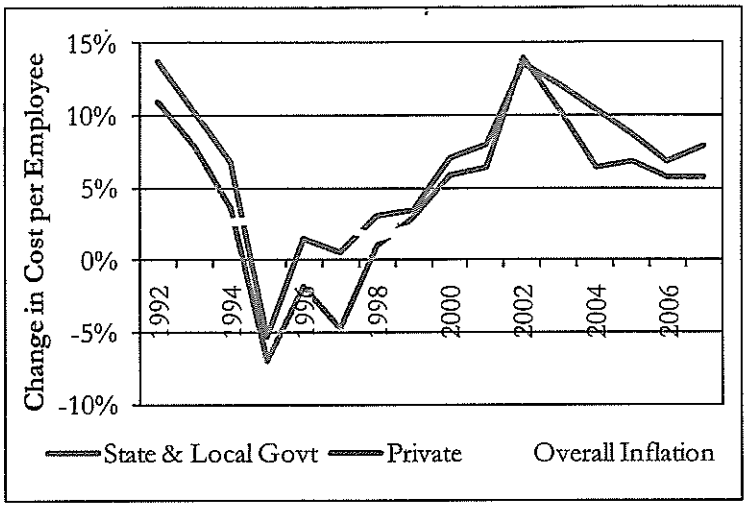
The key factors that lead to long-term budget pressures are the relatively high rates of inflation in public employee health and retirement costs. The next section reviews the inflation trends in public employee benefit costs.

[40] Internal service charges are costs that are allocated to departments providing direct services.

EMPLOYEE BENEFIT COSTS

Health Insurance

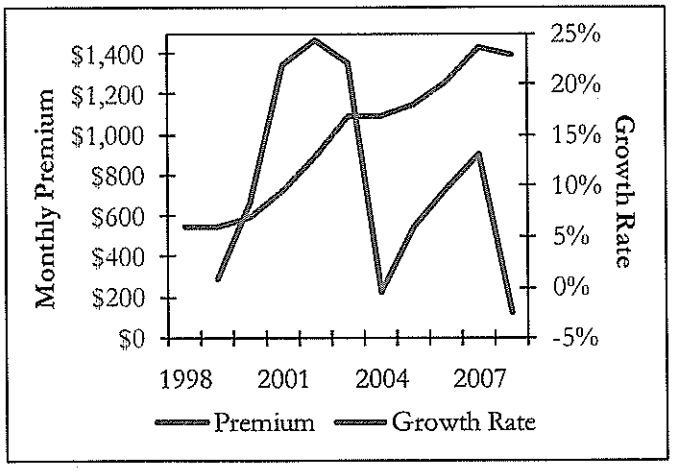
Figure 2-18: Employee Health Insurance Cost Growth, 1991-2007



Employer health costs have grown at an annual rate of more than double the overall inflation rate during the 2000s. The annual rate of health insurance cost escalation peaked in 2002 at 14 percent, more than eight times higher than the annual inflation rate.[41] The public health cost escalation rate in 2006 was seven percent, whereas overall inflation was three percent.

Generally, over the past 15 years, employer health cost escalation has been on average two percentage points higher for state and local government employers than for private employers. Health costs declined in the private sector from 1994 to 1997, while public employer costs declined only from 1994 to 1995 and then began increasing again. Since 2000, public employer health costs escalated by a total of 90 percent; by comparison, private costs increased by 70 percent and overall inflation was 20 percent.

Figure 2-19: City Employee Health Insurance Premiums, 1998-2008



The City's health insurance premium costs rose 142 percent since 2000.[42] The 2008 monthly premium costs $1,396 per employee. Had the premiums increased at the rate of inflation since 1998, the 2008 premium cost would be $740.

The City provides health insurance to its employees through contract with California Public Employees' Retirement System (CalPERS).

In the last three years, CalPERS has used its investment returns to reduce

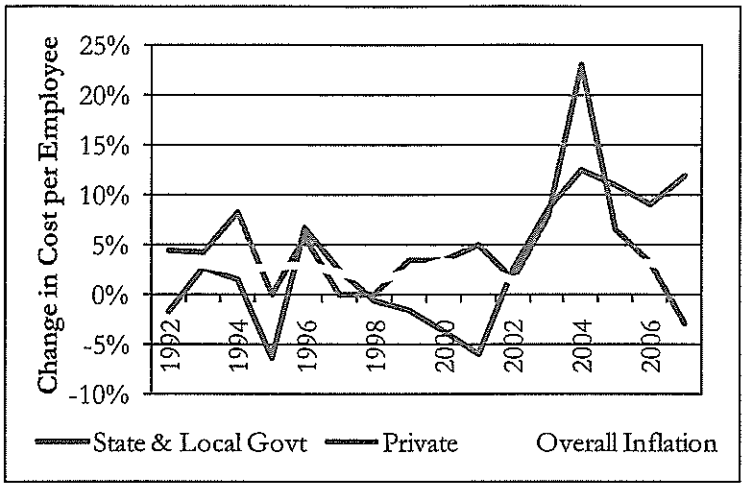
[41] Employer health cost escalation is the annual percentage change in employer health contributions per employee hour worked, and is estimated from BLS National Compensation Survey data. Overall inflation is measured by the CPI-U for all U.S. cities.

[42] The City pays up to the two-person premium cost for the PERS Care plan. Those premium costs are displayed in the figure.

premium increases by four percentage points below the cost to CalPERS, and has also pursued cost containment efforts, such as increased co-pays. Due to relatively low investment returns in FY 08, future premium increases will likely be on the order of seven to eight percent. In the long-term, most actuaries assume health care inflation on the order of five percent.

Retirement Benefits

Figure 2-20: Employee Retirement Cost Growth, 1991-2007



Employee retirement benefit costs grew at a relatively slow rate during the recession of the early 1990s. For state and local government employers, costs either declined or escalated more slowly than the rate of inflation throughout the 1990s (except in 1996).

Public employers became accustomed to declining retirement costs from 1997 to 2001, due to strong investment returns and some agencies implementing less costly retirement plans. Costs began growing faster than inflation in 2002, placing increased fiscal pressure on local government agencies recovering from the 2001 recession.

Cost escalation accelerated through 2004 when the annual rate of growth in public retirement costs reached 13 percent. Although public employer costs escalation has since decelerated, it remains substantially higher than the inflation rate and projected growth rate in City of Beverly Hills revenues. On average, the annual growth rate in public retirement costs per employee was 4.4 percent over the period 1998-2007, and 10.7 percent over the 2003-7 period.

The private sector was able to tame this trend after a 2004 peak, but the public sector cost growth remains substantially higher than inflation and projected City revenue growth.

Recent and future cost escalation will be affected by the aging workforce, which in turn is caused by the baby boomers reaching retirement age and the smaller succeeding generation.

Other Postemployment Benefits

In addition to pension benefits, the City of Beverly Hills offers health insurance to municipal employees upon retirement.

On June 21, 2004, GASB released Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (aka OPEB). GASB 45 establishes standards for the measurement, recognition and display of post-employment healthcare as well as other forms of post-employment benefits, such as life insurance, when provided separately from a pension plan expense or expenditures and related liabilities in the financial reports of state and local governments. Under GASB 45, governments will be required to: (i) measure the cost of benefits,

and recognize other post-employment benefits expense, on the accrual basis of accounting; (ii) provide information about the actuarial liabilities for promised benefits associated with past services and whether, or to what extent, those benefits have been funded; and (iii) provide information useful in assessing potential demands on the employer's future cash flows.

OPEB benefits, largely attributable to retiree health care, have been accounted for on a pay-as-you-go basis. Now, under GASB 45, they will be treated on an accrual basis, similar to pension liabilities.

Under the pay-as-you-go basis, contributions are not made for future retirees or for future payments to existing retirees. Hence, the City (like most agencies) has accrued liabilities for which it has not yet paid. The City spent $1 million on providing OPEB benefits to 153 retirees in FY 06. The City has not yet estimated its OPEB liability, but has begun to set aside reserves ($5 million) in FY 07 for this future cost problem. The effective date of GASB 45 reporting requirements is FY 2007-08 for the City.

City management will have to ascertain whether or not to: (1) prefund these liabilities, in the same manner that pension obligations are treated, from both economic and political viewpoints; (2) continue down the pay-as-you-go path; or (3) arrive at some middle ground. Pre-funding even a portion of OPEB liability reduces long-term costs. Many jurisdictions are considering irrevocable trusts. Few agencies nationally, and only one in California, have bonded the liability.

FISCAL SCENARIOS

REVENUE SCENARIOS

There are two revenue projection scenarios used in this study. The first scenario assumes sluggish growth in the short-term, followed by revenue growth based on average trends in past years and forecasts prepared by UCLA Anderson Forecast and the California Legislative Analysts Office. This scenario relies on the assumptions described in the revenue section. The second scenario assumes a recession in the short-term of average magnitude, followed by a return to average trends. The recession scenario is based largely on past recessions, and assumes the proposed Montage hotel construction project is not completed in the short-term due to the economic downturn.

Figure 2-21: Projected Revenues, Sluggish Growth Scenario

	General Fund Revenues ($ millions)							Annual Growth Assumption					
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Property tax	30	32	34	35	36	38	40	8.2%	5.0%	2.0%	3.4%	4.8%	5.1%
Sales tax	26	27	28	29	31	32	34	3.0%	4.8%	4.8%	4.8%	4.8%	4.8%
Business tax	34	35	36	37	38	39	40	2.9%	2.9%	3.2%	2.7%	2.6%	2.6%
Hotel tax	26	27	28	31	32	33	34	3.0%	6.7%	8.4%	3.0%	3.0%	3.0%
Other revenue	43	42	43	44	46	47	49	-1.6%	1.0%	3.3%	3.7%	3.7%	3.8%
TOTAL	158	163	169	176	182	189	196	2.7%	3.8%	4.1%	3.5%	3.8%	3.8%

Sources: UCLA Anderson Forecast, LAO, State Controller, Bureau of Labor Statistics, City of Beverly Hills

Figure 2-22: Projected Revenues, Short-Term Recession Scenario

	General Fund Revenues ($ millions)							Annual Growth Assumption					
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Property tax	30	31	29	30	31	32	34	3.0%	-5.0%	2.0%	3.4%	4.8%	5.1%
Sales tax	26	25	26	27	28	30	31	-5.0%	4.8%	4.8%	4.8%	4.8%	4.8%
Business tax	34	34	35	36	37	38	39	1.3%	2.6%	2.8%	2.7%	2.6%	2.6%
Hotel tax	26	27	27	28	29	30	31	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other revenue	43	42	43	44	46	47	49	-1.6%	1.0%	3.3%	3.7%	3.7%	3.8%
TOTAL	158	158	160	165	171	177	184	0.1%	1.1%	3.1%	3.5%	3.7%	3.8%

Sources: UCLA Anderson Forecast, LAO, State Controller, Bureau of Labor Statistics, City of Beverly Hills

EXPENDITURE SCENARIOS

There are two expenditure projection scenarios used in this study. The two scenarios vary based on employee retirement cost inflation assumptions. The first scenario assumes that future inflation will be 4.4 percent – the average cost inflation over the last 10 years for government employees. The second scenario assumes that future retirement cost inflation will be 10.7 percent – the average cost inflation over the last five years for government employees. Otherwise, both scenarios make the same assumptions regarding cost inflation for salaries, health insurance, and other costs.

Figure 2-23: Projected Expenditures, Low Retirement Inflation

	General Fund Expenditures ($ millions)							Annual Cost Inflation Assumption					
Category	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Supplies, services	30	30	31	32	32	33	34	2.8%	1.9%	2.2%	2.1%	2.0%	1.9%
Health insurance	5	5	5	6	6	7	7	0.0%	7.5%	7.5%	7.5%	7.5%	7.5%
Other employee insurance	1	1	1	1	1	1	1	2.8%	1.9%	2.2%	2.1%	2.0%	1.9%
Retirement/pension	11	12	12	13	13	14	14	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Employee taxes	4	4	4	4	4	4	4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Gasoline	0	0	0	0	0	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Internal charges	41	42	44	45	47	49	51	3.5%	3.6%	3.7%	3.7%	3.7%	3.7%
Salaries	53	55	57	60	62	64	67	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Unique, customized	13	14	14	14	14	15	15	5.8%	1.9%	1.9%	1.9%	1.9%	2.0%
TOTAL	157	163	168	174	180	187	193	3.7%	3.5%	3.5%	3.5%	3.5%	3.5%

Sources: UCLA Anderson Forecast, LAO, CalPERS, Bureau of Labor Statistics, City of Beverly Hills

Figure 2-24: Projected Expenditures, High Retirement Inflation

	General Fund Expenditures ($ millions)							Annual Cost Inflation Assumption					
Category	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Supplies, services	30	30	31	32	32	33	34	2.8%	1.9%	2.2%	2.1%	2.0%	1.9%
Health insurance	5	5	5	6	6	7	7	0.0%	7.5%	7.5%	7.5%	7.5%	7.5%
Other employee insurance	1	1	1	1	1	1	1	2.8%	1.9%	2.2%	2.1%	2.0%	1.9%
Retirement/pension	11	12	14	15	17	18	20	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Employee taxes	4	4	4	4	4	4	4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Gasoline	0	0	0	0	0	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Internal charges	41	42	44	46	48	51	53	4.2%	4.3%	4.5%	4.5%	4.5%	4.6%
Salaries	53	55	57	60	62	64	67	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Unique, customized	13	14	14	14	14	15	15	5.8%	1.9%	1.9%	1.9%	1.9%	2.0%
TOTAL	157	164	170	178	185	193	202	4.3%	4.1%	4.3%	4.3%	4.3%	4.4%

Sources: UCLA Anderson Forecast, LAO, CalPERS, Bureau of Labor Statistics, City of Beverly Hills

CONCLUSION

If a recession is averted and if employee retirement cost inflation falls to its long-term trend, this report projects there would be a general fund surplus. This scenario assumes the City does not suffer any further departures of major commercial taxpayers. Either a short-term recession or employee retirement cost inflation at the recent trend would lead to a general fund budget deficit, as shown in Figure 2-25.

Figure 2-25: Projected Expenditures, High Retirement Inflation

		General Fund Surplus (Deficit) in $ millions					
Revenue Scenario	Expenditure Scenario	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Sluggish growth	Low retirement inflation	-$0.1	$0.4	$1.4	$1.3	$1.8	$2.5
Sluggish growth	High retirement inflation	-$1.1	-$1.7	-$2.0	-$3.5	-$4.7	-$6.0
Recession then recovery	Low retirement inflation	-$4.2	-$8.1	-$9.1	-$9.5	-$9.5	-$9.3
Recession then recovery	High retirement inflation	-$5.2	-$10.2	-$12.5	-$14.3	-$16.0	-$17.7

There are many possible fiscal scenarios that could be analyzed and compared beyond the four scenarios presented here. But most importantly, these scenarios illustrate that the City's recent experiences of cyclical revenues, structural revenue effects from major taxpayers who have moved out of the City, and high rates of inflation in employee benefits are not sustainable from a fiscal perspective.

APPENDIX

Table A-1: Beverly Hills Economic Data by Detailed Industry, 2006

Industry	Beverly Hills Economic Base, 2006				Job Growth, 2001-2006		
	Establishments	Jobs	Payroll	Average Pay	Beverly Hills	Metro Area	Nation
Construction	75	822	$94,085,174	$114,420	17 %	14 %	12 %
Residential Building Construction	32	625	81,875,693	$130,995	15	44	29
Land Subdivision	25	102	9,264,888	$90,808	2	-24	9
Specialty Trade Contractors	14	74	2,256,461	$30,401	34	16	14
Manufacturing	70	327	10,200,467	$31,202	30	-20	-14
Food Manufacturing	9	63	1,241,880	$19,870	-20	-8	-5
Apparel Manufacturing	19	134	3,312,882	$24,769	128	-26	-44
Printing and Related Support Activities	7	18	509,138	$27,771	-6	-21	-17
Wholesale	151	514	34,773,204	$67,594	32	3	3
Durable Goods Wholesalers	49	163	10,094,662	$61,762	-24	-8	-1
Retail	393	6,928	312,277,076	$45,075	7	7	1
New Car Dealers	8	726	49,780,403	$68,560	65	2	0
Home Furnishing Stores	18	306	7,927,016	$25,943	55	18	12
Electronics & Appliance Stores	10	46	2,245,958	$49,092	12	0	-1
Building Material & Garden Supplies Stores	7	26	769,262	$29,778	2	19	16
Food and Beverage Stores	13	370	8,193,296	$22,134	24	8	-4
Pharmacies and Drug Stores	25	245	9,881,210	$40,254	10	6	3
Cosmetics, Beauty Supplies, and Perfume Stores	14	95	4,900,778	$51,467	-35	-8	11
Optical Goods Stores	7	49	1,959,580	$40,265	1	-5	-6
Gas Stations	6	47	957,325	$20,514	-30	2	-6
Men's Clothing Stores	13	232	11,486,230	$49,617	-31	-38	3
Women's Clothing Stores	31	285	10,984,975	$38,484	103	15	13
Family Clothing Stores	23	651	27,236,048	$41,807	21	26	19
Clothing Accessories Stores	12	369	17,115,177	$46,446	52	111	20

CBH - City Council Informal Meeting 01/29/2008

Industry	Beverly Hills Economic Base, 2006				Job Growth, 2001-2006		
	Establishments	Jobs	Payroll	Average Pay	Beverly Hills	Metro Area	Nation
Retail, continued…							
Shoe Stores	13	186	$ 6,851,553	$36,869	19 %	6 %	-3 %
Jewelry Stores	34	304	18,709,369	61,578	24	-3	-3
Luggage and Leather Goods Stores	8	123	7,748,790	62,956	7	-16	-13
Sporting Goods, Hobby, Book, and Music Stores	18	490	17,696,510	36,128	-37	-11	-4
General Merchandise Stores	14	1,609	67,159,946	41,739	2	19	5
Florists	11	35	783,115	22,375	-24	-27	-23
Office Supplies and Stationery Stores	6	36	827,199	23,138	13	-1	-12
Gift, Novelty, and Souvenir Stores	12	52	1,315,933	25,266	51	-14	-21
Used Merchandise Stores	7	46	2,205,061	48,463	-6	16	7
Art Dealers	16	54	4,071,853	75,873	-12	-11	-14
Other Store Retailers	12	80	9,134,936	114,545	-37	9	-3
Electronic Shopping	8	40	2,513,279	62,876	21	47	30
Information	402	2,275	494,436,894	217,319	-4	4	-15
Publishing Industries (not Internet)	22	238	19,482,592	82,003	23	-16	-11
Motion Picture and Video Production	281	799	343,430,112	430,004	-12	42	10
Motion Picture and Video Distribution	9	34	2,072,496	60,218	-50	-15	-26
Other Motion Picture and Video Industries	10	24	11,953,885	489,579	-50	-15	-36
Sound Recording Industries	23	399	44,026,794	110,266	45	-27	-28
Broadcasting (not Internet)	6	38	6,837,465	180,329	-63	-4	-4
Internet Publishing and Broadcasting	13	349	42,070,047	120,564	52	-32	-21
Telecommunications	10	88	6,231,427	71,058	-52	-32	-25
Finance & Insurance	308	3,085	486,663,716	157,776	2	8	6
Commercial Banking	23	851	94,258,658	110,795	58	7	6
Savings Institutions	9	90	6,654,177	74,004	38	-11	1
Real Estate Credit	18	96	5,767,135	59,849	-7	61	52
Other Nondepository Credit Intermediation	5	20	2,791,393	140,154	-36	-20	-2
Loan Brokers	20	76	12,075,387	158,020	277	57	120
Activities Related to Credit Intermediation	9	52	1,952,709	37,492	32	54	9
Investment Banking and Securities Dealing	18	529	103,187,377	195,164	-35	-15	-4
Securities Brokerage	20	638	143,927,104	225,748	-9	-3	-16

CBH - City Council Informal Meeting 01/29/2008

Industry	Beverly Hills Economic Base, 2006				Job Growth, 2001-2006		
	Establishments	Jobs	Payroll	Average Pay	Beverly Hills	Metro Area	Nation
Finance & Insurance, continued…							
Miscellaneous Intermediation	16	56	$ 6,390,091	$113,434	-45 %	-25 %	-2 %
Portfolio Management	32	203	60,215,114	296,261	-29	-10	25
Investment Advice	54	160	13,202,613	82,674	65	56	51
Trust, Fiduciary, and Custody Activities	5	18	1,550,494	85,742	262	70	-17
Insurance Carriers and Related Activities	61	206	24,269,315	118,035	19	-7	2
Real Estate Investment Trusts	4	7	207,711	30,772	12	25	65
Real Estate and Rental/Leasing	451	2,233	138,841,870	62,190	20	7	6
Lessors of Residential Buildings	85	359	15,320,408	42,731	-13	-10	-4
Lessors of Nonresidential Buildings	39	148	10,516,911	70,994	-14	-34	-3
Lessors of Other Properties	4	21	987,096	46,819	25	-19	-5
Offices of Real Estate Agents and Brokers	148	619	56,411,791	91,162	62	34	28
Residential Property Managers	61	364	15,032,609	41,292	16	22	19
Nonresidential Property Managers	61	396	22,216,171	56,125	33	32	11
Other Activities Related to Real Estate	27	191	12,932,911	67,860	25	38	47
Passenger Car Rental	6	42	1,329,616	31,720	82	-1	-5
Professional, Scientific, and Technical Services	961	4,203	386,760,739	92,029	6	0	8
Legal Services	454	1,818	199,075,357	109,514	1	2	8
Offices of Certified Public Accountants	68	455	35,261,984	77,489	1	-4	-3
Other Accounting Services	38	212	12,587,759	59,400	-16	70	2
Architectural Services	14	99	7,830,152	79,159	169	22	8
Engineering Services	5	16	1,241,816	79,689	-53	18	9
Interior Design Services	19	63	3,799,599	60,471	69	10	23
Graphic Design Services	13	24	1,746,866	72,534	103	3	-10
Other Specialized Design Services	5	4	288,400	70,629	-57	104	49
Custom Computer Programming Services	24	210	14,777,891	70,287	263	-4	1
Computer Systems Design Services	18	49	2,121,906	43,427	-13	8	9
General Management Consulting	45	205	23,748,856	115,691	34	14	20
Human Resources Consulting	13	41	5,234,308	129,154	15	-7	1
Marketing Consulting Services	14	53	3,826,827	71,567	48	116	45
Other Management Consulting Services	15	30	6,807,343	230,107	-20	-16	-14
Scientific Research Services	14	76	6,741,510	88,413	-64	43	16
Social Science Research Services	3	17	779,482	45,852	53	-44	-9

CBH - City Council Informal Meeting 01/29/2008

	Beverly Hills Economic Base, 2006				Job Growth, 2001-2006		
Industry	Establishments	Jobs	Payroll	Average Pay	Beverly Hills	Metro Area	Nation
Professional, Scientific, and Technical Services, continued...							
Advertising Agencies	17	149	$10,560,591	$70,784	-3	4	-8
Public Relations Agencies	28	236	$19,635,651	$83,212	0	-25	-9
Photography Studios, Portrait	6	13	$485,247	$37,089	-21	-6	5
Veterinary Services	3	33	$1,191,802	$35,934	-23	13	20
Administrative and Support Services	196	2,883	$120,240,156	$41,705	7%	2%	7%
Office Administrative Services	61	398	$39,929,796	$100,312	42	47	39
Employment Placement Agencies	22	480	$15,100,394	$31,465	56	-13	-4
Temporary Help Services	10	404	$13,596,487	$33,682	-50	5	11
Telephone Answering Services	4	51	$1,860,669	$36,306	-22	-40	-15
Other Business Service Centers	11	44	$2,679,696	$60,558	200	23	2
Travel Agencies	19	68	$3,093,618	$45,383	-19	-10	-32
Tour Operators	4	33	$1,712,033	$52,276	79	-32	-20
Investigation Services	7	29	$1,201,577	$41,315	116	-8	-14
Security Guards and Patrol Services	5	197	$6,070,217	$30,813	5	18	11
Landscaping Services	5	32	$760,510	$23,460	78	14	26
Convention and Trade Show Organizers	6	25	$1,783,309	$72,053	-3	-39	0
All Other Support Services	4	10	$1,171,630	$122,257	-74	-7	6
Educational Services	38	1,088	$43,439,520	$39,911	-10	13	17
Elementary and Secondary Schools	11	817	$35,950,636	$43,985	-8	16	18
Fine Arts Schools	4	28	$618,961	$22,372	43	32	21
Sports and Recreation Instruction	3	4	$141,353	$33,260	-28	15	46
Language Schools	3	107	$1,392,256	$13,042	24	-14	-7
Educational Support Services	3	5	$319,526	$61,844	-43	103	75
Health Care and Social Assistance	926	5,290	$342,083,878	$64,665	28	10	13
Offices of Physicians	524	2,759	$216,840,885	$78,588	39	11	12
Offices of Dentists	181	894	$44,739,739	$50,054	17	13	12
Offices of Chiropractors	18	46	$1,714,820	$37,346	-9	1	16
Offices of Optometrists	10	48	$2,693,513	$56,409	103	13	11
Offices of Mental Health Practitioners	48	57	$3,446,196	$60,995	54	39	2
Offices of Physical, Occupational and Speech Therapists	18	87	$4,569,481	$52,322	51	36	43

CBH - City Council Informal Meeting 01/29/2008

Industry	Beverly Hills Economic Base, 2006				Job Growth, 2001-2006		
	Establishments	Jobs	Payroll	Average Pay	Beverly Hills	Metro Area	Nation
Health Care and Social Assistance, continued…							
Other Health Practitioners	11	30	$ 1,193,928	$39,687	5 %	17 %	72 %
Medical Laboratories	9	73	4,478,435	61,419	43	19	14
Diagnostic Imaging Centers	9	86	7,140,238	83,187	24	100	34
Home Health Care Services	11	369	12,640,201	34,255	-31	48	36
Arts, Entertainment, and Recreation	587	3,613	835,722,855	231,282	30	11	7
Theater Companies and Dinner Theaters	8	37	4,415,511	119,608	-16	-3	-12
Musical Groups and Artists	27	29	3,686,459	128,597	-66	12	-13
Promoters of Events with Facilities	9	13	3,097,239	244,519	271	16	33
Promoters of Events without Facilities	9	15	1,783,651	120,246	-56	8	4
Agents and Managers for Public Figures	93	2,672	530,517,367	198,532	31	19	17
Independent Artists, Writers, and Performers	419	539	284,473,438	527,698	28	1	28
Fitness and Recreational Sports Centers	9	230	4,399,338	19,093	374	23	10
Accommodation and Food Services	182	6,785	193,599,500	28,533	17	11	10
Hotels and Motels (not Casinos)	17	3,030	105,157,216	34,711	19	-1	0
Full-Service Restaurants	94	3,131	78,981,859	25,227	13	17	14
Limited-Service Restaurants	33	351	5,175,368	14,738	19	5	11
Snack and Nonalcoholic Beverage Bars	23	226	3,082,938	13,672	86	67	50
Other Services	1,295	3,623	120,339,375	33,213	6	25	4
Car Washes	3	29	189,602	6,513	21	17	4
Beauty Salons	80	642	19,695,301	30,674	0	-7	10
Nail Salons	11	46	441,452	9,679	114	74	40
Other Personal Care Services	7	28	1,012,097	35,721	35	71	63
Drycleaning and Laundry Services (not Coin-Operated)	6	23	198,158	8,523	-17	-14	-13
Parking Lots and Garages	73	543	11,885,425	21,899	2	11	11
Religious Organizations	7	54	1,544,049	28,462	160	13	13
Grantmaking Foundations	20	48	3,759,085	79,139	7	-27	2
Voluntary Health Organizations	3	11	866,380	78,762	-4	6	-2
Civic and Social Organizations	9	47	1,432,561	30,480	-53	5	1
Business Associations	5	171	9,671,514	56,449	-3	-22	-1
Private Households	1,008	1,379	39,391,552	28,572	5	70	21

Source: QCEW data, 2001 and 2006.

CBH - City Council Informal Meeting 01/29/2008

REFERENCES

BOOKS, ARTICLES AND REPORTS

Afinety Marketing. *Luxury Tracking Report: Wave 3, 2007.* November 2007.

American Affluence Research Center. *Fall 2007 Affluent Market Tracking Study #12.* October 2007.

Burr, Beverly. "Los Angeles Business Migration and Growth," *Report to the City of Los Angeles.* Santa Monica: Milken Institute, 1997.

Burr, Beverly and Patricia Nunn. "Beverly Hills Economic Profile: Sharpening the Competitive Edge," *Report to the City of Beverly Hills.* Fresno: MBIA MuniServices Co., June 2006.

California Legislative Analyst's Office. *California's Fiscal Outlook: LAO Projection 2007-08 Through 2012-13.* Sacramento: Legislative Analyst's Office, November 2007.

California Legislative Analyst's Office. *California's First Retiree Health Valuation.* May 9, 2007.

California Legislative Analyst's Office. *Retiree Health Care: A Growing Cost for Government.* February 17, 2006.

City of Los Angeles, City Administrative Office. *Revenue Outlook: Supplement to the 2007-08 Proposed Budget.* 2007.

City of Santa Monica. *2007-08 Adopted Line Item Detail and 2008-09 Line Item Detail Plan.* 2007.

City of Santa Monica. *Economic Update and Five-Year Forecast.* Presentation to City Council by Finance Director, Carol Swindell. Oct. 13, 2007.

Drennan, Matthew P. "The Economic Costs of Disasters: Permanent or Ephemeral?" Eds., H.W. Richardson, P. Gordon, J.E. Moore, II. *The Economic Costs and Consequences of Terrorism.* Cheltenham, UK: Edward Elgar Publishing Limited, 2007.

EIP Associates. *City of Beverly Hills General Plan Update: Technical Background Report, October 2005.* 2005.

Haughwout, Andrew F., Inman, Robert P., Craig, Steven, and Luce, Thomas. *Local Revenue Hills: Evidence from Four U.S. Cities.* Working Paper 9686. Cambridge: National Bureau of Economic Research, May 2003.

Ihlanfeldt, Keith R. and Raper, Michael D. "The Intrametropolitan Location of New Office Firms," *Land Economics*, Vol. 66, No. 2, pp. 182, May 1990.

Lauren Schlau Consulting. *Economic Impacts of Beverly Hills Tourism in 2004.* Report for Beverly Hills Conference & Visitors Bureau and Beverly Hills Chamber of Commerce, 2004.

Neumark, David, Junfu Zhang and Brandon Wall. *Employment Dynamics and Business Relocation: New Evidence from the National Establishment Time Series*, Institute for the Study of Labor Discussion Paper No. 1774, September 2005.

Nushbaum, D. "Talent Agencies: Ranked by Los Angeles County Agents." *Los Angeles Business Journal*, Nov 2004.

Oblander, Donald J. "Updated Analysis of the Sources of General Fund Revenues and Incidence of Expenditures," *Memorandum to City Manager*, July 2, 2004.

PKF Consulting. *The 2007 Southern California Lodging Forecast.* 2007.

Ragas, Wade R. "Office Space Demand," *University of New Orleans Real Estate Market Data Center Technical Report 978*. February 1993.

Schwarzenegger, Arnold. *Governor's Budget Summary 2008-09.* January 10, 2008.

Sieroty, Chris. "City Council Begins William Morris Project Hearings." *The Beverly Hills Courier*, Volume 42, Number 45. November 2007.

Sivitanidou, Rena, "Urban Spatial Variations in Office—Commercial Rents: The Role of Spatial Amenities and Commercial Zoning," *Journal of Urban Economics*, Vol. 38, pp. 23-49, 1995.

Sivitanidou, Rena, "Do Office-Commercial Firms Value Access to Service Employment Centers? A Hedonic Value Analysis within Polycentric Los Angeles," *Journal of Urban Economics*, Vol. 40, pp. 125-149, 1996.

UCLA Anderson Forecast. *UCLA Anderson Forecast for the Nation and California.* September 2007.

UCLA Anderson Forecast. *UCLA Anderson Forecast for the Nation and California.* December 2007.

U.S. Congressional Budget Office. *The Budget and Economic Outlook: An Update.* August 2007.

U.S. Congressional Budget Office. *The Long-Term Outlook for Health Care Spending.* November 2007.

U.S. Government Accountability Office. "State and Local Governments: Persistent Fiscal Challenges Will Likely Emerge within the Next Decade," *Report GAO-07-1080SP.* July 18, 2007.

U.S. Government Accountability Office. "State and Local Government Retiree Benefits: Current Status of Benefit Structures, Protections, and Fiscal Outlook for Funding Future Costs," *Report GAO-07-1156.* September 2007.

U.S. Government Accountability Office. "The Nation's Long Term Fiscal Outlook: August 2007 Update," *Report GAO-07-1261R.* August 2007.

Wasylenko, Michael. "Taxation and Economic Development: The State of the Economic Literature," *New England Economic Review*, pp. 37-52, March/April 1997.

Wood, Roderick J. "Granite Sidewalks," *Memorandum to Mayor and Council Members*, August 18, 2006.

DATA SOURCES

Business Relocations: Interviews with Brian Dunne and Neil Resnick of Grubb & Ellis, Allan Alexander and Dan Walsh of the Beverly Hills Chamber of Commerce, and Helen Weinbach of Ramsey Shilling; analysis of openings and closings of sales tax-payer permits

Consumption: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

Demographics: U.S. Bureau of the Census, California Department of Finance, Southern California Association of Governments

Employment: Quarterly Census of Employment and Wages, 2001-6

Employer Costs: U.S. Bureau of Labor Statistics, Employer Costs of Employee Compensation.

Expenditures: City budgets, financial statements and data extracted by Finance

Health Insurance Costs: Medical Expenditure Panel Survey.

Hotel Occupancy and Rates: PKF Consulting

Hotel Ratings: Orbitz.com

Income: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis

Inflation: U.S. Bureau of Labor Statistics—Consumer Price Index

Job and Housing Statistics: Southern California Association of Governments

Office Real Estate Data: compiled by broker Christopher Bonbright of Ramsey-Shilling Co. from source data by the CoStar Group research team (trends, rents), REIS

Economic Projections: UCLA Business Forecast

Property Ownership: MuniServices from Los Angeles County Assessor source data

Retail Real Estate Data: luxury retail broker Neal Golub of CBRE (California data), Colliers (data on premier locations nationally)

Retail Sales: MuniServices from State Board of Equalization source data

Revenues by Land Use: Analysis of MuniServices GRIP data

Revenues: City budgets, financial statements and data extracted by Finance

Taxpayer Data: MuniServices GRIP database compiled from City of Beverly Hills source data

Visitor Data: Lauren Schlau Consulting

Economic Sustainability — Conditions, Trends, and Choices for Our Future

The City of Beverly Hills is recognized as a world-class and pre-eminent center of retailing, entertainment, finance, real estate, professional services, and, increasingly, information technology. Its neighborhoods are among the most desirable and recognizable in the world. Tree-lined streets, distinctive architecture, and parks contribute to its reputation as one of the world's most livable communities. Residents, visitors, and employees are confident of their safety in living, shopping, dining, doing business, and recreating in the City. These qualities are supported by a responsive government and unparalleled municipal services from its police, fire, recreation, planning, public works, and other departments.

Nurturing and sustaining these distinguishing characteristics and the quality of its services are the highest priority of Beverly Hill's residents and municipal government. They define the overarching framework for updating the City's General Plan that will guide its physical development over the next 20 to 25 years.

To meet this objective, it is essential to understand the relationship between the services provided by the City, their costs, and the contributions of existing uses and new development in supporting these. Studies have been commissioned by the City to identify:

- The key businesses that define Beverly Hill's identity and character
- Revenues contributed by these in supporting services for City residents
- Factors that impact the long-term economic viability and health of these businesses, including the implications of current City policies and regulations
- Trends in business retention and the adequacy of revenue to cover the costs of services
- Implications for the future and choices that must be addressed by the community

The studies, prepared by MuniServices and Burr Consulting and Keyser Marston Associates, provide the research and analysis informing policy options that need to be considered by Beverly Hills in updating the General Plan to assure that the quality of life for residents and vibrancy of the economy are sustained. A summary of their key findings is presented in the following sections.

OUR EXISTING BUSINESSES

The City of Beverly Hills's businesses are uniquely defined in the region and world economy. They are characterized by their prestige, central location, density, and proximity to quality and high income neighborhoods.

The City is a key provider of jobs in the Southern California economy, with an estimated 3.8 jobs per household in comparison with an average of 1.4 for Los Angeles County. These are among the highest paying industries in the county encompassing entertainment, finance, real estate, professional services, and information technology. Within these, the highest paying positions are professional and finance workers and entertainment industry executives, agents, and lawyers. While distributed throughout the City, many of these businesses are concentrated in the west and central Wilshire Boulevard areas. The clustering of arts, entertainment, and recreation uses define and distinctly differentiate Beverly Hills from other communities in the county. The larger firms constitute a significant engine of high growth and spending potential.

The retail market of Beverly Hills is healthy, at the heart of which is the Business Triangle bordered by Santa Monica, Crescent, and Wilshire. This area is recognized throughout the world for its collection of upscale stores and restaurants. Major department stores are located along the western potion of Wilshire. Beverly, Robertson, and La Cienega contain a diversity of commercial uses serving local and regional residents. The spending power in the retail sector is attributable to the wealth of the City's residents and highly paid workforce, in addition to high income regional, national and international visitors. The latter stay in prestige hotels, have high incomes, and spend exceptionally greater amounts during their visits than the state or national average.

CRITICAL TRENDS AND FACTORS IMPACTING OUR BUSINESSES

The Southern California region is experiencing significant demand for office and retail development. The prestige and distinguishing qualities of Beverly Hills heighten these demands locally.

Office Uses

After a period of little activity, market rents for office uses in the Los Angeles market are increasing rapidly, while vacancy rates are declining. The West Los Angeles sub-region contains the greatest concentration of office space in the county, with approximately 30 percent of its total square footage. Rents in the sub-region are approximately 23 percent higher than the county, with fewer vacancies. The City of Beverly Hills accommodates 13.1 percent of the West Los Angeles office space, with a vacancy rate of 3.3 percent which is 49 percent lower than the overall Los Angeles market.

The average office building size is smaller than other sub-markets, except Culver City. Primarily, building inventory ranges from 20,000 to 40,000 square feet, with typical available space of 2,000 to 5,000 square feet. In Century City and Westwood, the average building size is, respectively, 4.8 and 2.7 times larger.

Rents for Class A office space in Beverly Hills are slightly below market rates, while considerably below those for office spaces in Century City, Westwood, and Santa Monica. The rates are affected by older building stock, floorplate sizes, and lack of contiguous space. Class B office space rents, on the other hand, command premium rates.

The ability to expand capacity to accommodate new or expanded office development in Beverly Hills is constrained by the lack of developable land, high property values for underutilized but improved properties, comparatively small parcel size, and building height regulations. Larger users representing Beverly Hills' key industries typically require up to 100,000 square feet of building area, with 20,000 plus square foot floorplates. While the City's parcel sizes and need to consolidate multiple parcels constrain the ability to develop floorplates of this scale, stacking office space vertically (5 to 6 stories) could offset this problem. However, the City's three story height limitations constrain this opportunity. Based on the strong market demand, if capacity were provided, it is estimated that new and expanded office development could command rates of $6.00 per square foot and higher, above the current average of $3.90 per square foot.

These constraints have affected the City's ability to retain key industries. Major employers have left Beverly Hills in recent years largely due to the inability to meet expanding office space needs found in Century City, with some moving to Santa Monica, West Hollywood, Hollywood, and mid-Wilshire. Bell-weather establishments have either downsized, or left the City as represented by cable networks, motion picture productions, tele-production, periodicals, software production, securities trading, insurance, and property management. The number of establishments with 50 and more employees experienced a 21 percent reduction between 2000 and 2005, while increasing countywide. While many prefer to remain in Beverly Hills, the inability to expand and provide contiguous office space has influenced these relocations.

Retail Uses

Competitive sales performance of retail businesses in Beverly Hills reaffirms its retail image, although luxury retail is becoming less exclusive to the City. The core of its identity and activity is the Business Triangle. Beverly Hills retailers average sales of over $930,000 annually, compared with $490,000 county wide (52 percent of the Beverly Hills average). The very high volume per outlet suggests that Beverly Hills retailers operate at sales volumes considerably above the norm. In contrast, recent data indicates that Beverly Hills two closest competitors, the refurbished Century City and

The Grove, have dramatically outperformed sales volumes in Beverly Hills and may be attracting business volume from the City. They are experiencing some of the highest sales volume in the country. Of additional concern, luxury retail is becoming less exclusive to Beverly Hills, with a number of such businesses opening in West Hollywood and Century City. The proposed repositioning of the Santa Monica Place may result in additional retail competition to Beverly Hills.

Retail rents vary dramatically throughout the Beverly Hills, from $2.60 per square foot on South Robertson to $30.00 per square foot on Rodeo Drive, averaging $9.00 per square foot citywide. A number of retailers and tenants, particularly eating and drinking establishments, have moved due to increasing rental rates. Overall, it is felt that retail supply is keeping up with demand, as tenants move on, others readily occupy their space. Vacancy rates are a low 3 - 5 percent.

As with office uses, there is little land available for new and expanded retail development. Existing regulations provide for some additional space in the Department Store overlay on the south side of Wilshire Boulevard. Opportunities for property owners and developers to rehabilitate and revitalize existing commercial properties are evident on Robertson and portions of Canon and Beverly. By and large, however, there are few if any opportunities for larger scale tenants, which are meeting their space needs elsewhere. The lot depths and cost of providing parking may also inhibit new and expanded retail development.

HOW COMMERCE SUPPORTS OUR WORLD CLASS COMMUNITY SERVICES

Office, hotel and retail commercial uses are primary contributors to the revenues necessary to fund services that support and are valued by Beverly Hills residents. Sales taxes, hotel taxes, and business license fees represented 65 percent of the City's general fund revenues in fiscal year 2006-2007. The hotel and retail sectors are operating at a very high level of productivity, suggesting that real growth in tax revenues from these sources is unlikely. Similarly, office space is experiencing a vacancy level of less than 5 percent, further limiting the escalation of revenue from business license fees. Forecasts suggest a cumulative annual increase of 3 percent to 4 percent in tax and fee revenues.

CITY REVENUES AND SERVICE CHALLENGES

Consistent with community values, Beverly Hills allocates its budget for the provision of quality services for its residents. In fiscal year 2006-2007, 50 percent of the municipal costs were attributable to police and fire protection, 20% for park and library services, 14% for planning and public works, and the remainder in general government and debt service. The City's ability to sustain excellent services, however, is critically challenged.

In recent years, the escalation of service costs have grown faster than increases in revenue and forecasts suggest that this gap will broaden substantially in oncoming years. Quality services are also impacted by the difficulty in attracting skilled police, fire, and other personnel due to the high costs of living locally and in surrounding communities.

IMPLICATIONS—OUR CHOICES FOR THE FUTURE

Given these issues, Beverly Hills faces several policy options with respect to long-term fiscal stability and supporting and maintaining the quality of life in this community.

The City needs to develop policies that will grow revenue to the general fund – through fees and taxes or economic growth; or it may need to consider cutting services – or, a combination of these approaches:

1. Increase Taxes and/or Fees

To increase revenue, the City could consider increasing taxes and/or development and business fees. Increased taxes require voter approval, which is seldom popular or supported, while fee increases do not. However, tax and fee increases can discourage economic development when the rates are set higher than neighboring jurisdictions, which can effectively limit the potential for the business community to bear the primary burden of tax increases. A study by the City of Los Angeles indicates that Beverly Hills business license tax rates for a prototypical professional services firm is higher than in neighboring cities, and that reductions in the City of Los Angeles tax rates encouraged economic growth and/or more honest reporting of business activity.

2. Reduce Service Levels

Reduction of Beverly Hills' level of municipal services would achieve a corresponding reduction of costs. Such reductions, however, could significantly affect the community qualities that are valued by residents, businesses, and visitors. Police and fire response times may be reduced if staffing were cut; the library may be required to close earlier and other services the community values could be diminished. If the residents and/or commercial businesses locate in Beverly Hills to benefit from higher municipal service levels, the reduction of service levels could encourage reduction of property values and potentially migration of some businesses outside of the City.

3. Expand Economic Capacity

The City could develop policies that would assist in expanding the City's economic base to accommodate high revenue yielding office and commercial uses and occupants, thereby increasing revenues from these uses. Land use of office and commercial purposes generates substantially more tax revenue per acre than residential land while requiring substantially less in municipal services than residential uses. In 2006,

residential properties generated $9,000 in tax revenue per acre compared with $199,000 per acre for commercial uses. Retail uses averaged $587,000 per acre, while office uses average $140,000 per acre.

4. Combination of Actions

The City could elect to pursue a combination of any two or all of the preceding actions to affect City revenue and services. The implications for the City would vary according to the mix of actions selected.