



AGENDA REPORT

- Meeting Date:** March 25, 2008
- Item Number:** D-1
- To:** Honorable Mayor & City Council
- From:** Vincent P. Bertoni, AICP, Director of Community Development
Rita Naziri, Senior Planner
Joyce Parker-Bozylinski, AICP, Planning Consultant
- Subject:** Consideration of Planning Commission's recommendation for approval of a General Plan Amendment, Zone Text Amendment, Zone Change, Specific Plan, Development Agreement and Environmental Impact Report for a Proposed Mixed use Project at 9876 Wilshire Boulevard (The Beverly Hilton Revitalization Project)
- Attachments:**
1. Planning Commission Environmental Impact Report Resolution with Attachments (Findings of Fact, Statement of Overriding Considerations and Mitigation Measures)
 2. Planning Commission General Plan and Zoning Amendment Resolution
 3. Planning Commission Specific Plan Resolution with Attachments (Conditions of Approval and Beverly Hilton Specific Plan)
 4. Planning Commission Development Agreement Resolution with Attachment (Development Agreement)
 5. Correspondence
 6. Planning Commission Staff Reports and Minutes
 7. Final Environmental Impact Report
 8. Project Plans
 9. Applicant's Submittal Packet

RECOMMENDATION

Staff recommends that the City Council:

1. Receive presentations from staff and the applicant.
2. Take public testimony and consider the Planning Commission recommendations for the project.
3. Provide direction to staff on the proposed project and continue the hearing until March 27, 2008 to receive any additional public comments.

INTRODUCTION

The project site occupies the eastern end of the 17-acre "Robinsons-May/Beverly Hilton Triangle" which is considered the western gateway to Beverly Hills because of its location at the Beverly Hills-Los Angeles city boundary. Comprising three separate parcels, the site totals 8.97 acres and is currently developed with The Beverly Hilton and ancillary facilities including an executive conference center, hotel administrative offices, professional offices, a five-story parking structure with one subterranean level, retail uses, hotel restaurant, and the former Trader Vic's Restaurant.

Under the proposed project, as recommended by the Planning Commission, the project site would be redeveloped and reconfigured through the addition of 30 poolside guestrooms to the Beverly Hilton hotel as well as new hotel support, retail and office facilities, a conference center, outdoor landscaped areas, a new five-star 140-room Waldorf Astoria Hotel, and a separate 60-unit condominium building.

The existing Wilshire Tower and its 352 guestrooms would be retained with upgrades and renovations, including hotel guestrooms, public meeting spaces, restaurants, and spa/salon/fitness facilities, all of which have been recently remodeled. The existing ballrooms and meeting rooms would also be retained.

The proposed project as recommended by the Planning Commission is described in further detail in the staff report under Planning Commission Recommendation and is shown in Attachment 8 – Project Plans. Attachment 9 which is the Applicant's Submittal Packet includes revised plans that were submitted by the applicant prior to the City Council hearing. These plans propose changes to the project as recommended by the Planning Commission. A detailed description of these changes can be found under the heading Applicant's Revised Project.

DISCUSSION

Project History

Over the course of seven months, the Planning Commission held ten hearings to consider the project. Early in the hearing process, as the Planning Commission listened to the testimony of the applicant and the public, the Commission provided its guidance on how the project needed to address its concerns and those of the community. After staff had reviewed the project as modified through the hearing process and made its recommendations to the Planning Commission, the Planning Commission further considered the project and made its independent recommendation which included the elimination of Residence A building.

The staff report is organized as outlined below:

1. Original Submittal
2. Staff Recommendation (Based upon original submittal)
3. Revised Project
4. Planning Commission Recommendation
5. Applicant's Revised Project
6. Staff Recommendation (Based upon most recent submittal)
7. Requested Entitlements
 - a) General Plan and Zoning Text Amendment

- b) Specific Plan
- c) Development Agreement
- 8. Environmental Impact Report

Original Submittal

The original project submitted by the applicant consisted of a 10/13 story condominium building with 42 units (Residence A building), a 13-story condominium building with 48 units (Residence B building), a 11/14 story Waldorf=Astoria with 120 hotel rooms and 30 condominium units with a 2-story element including a restaurant, a 3-story Beverly Hilton conference center with 50 hotel rooms and a one story cabana pool area.

Staff's Original Recommendation

During the Planning Commission review of the project staff made several recommendations on the various project components. One of the main discussion items was the appropriate height of the proposed buildings. Staff recommended that the Planning Commission recommend approval the following building heights to the City Council:

Waldorf=Astoria	12 stories
Conference Center	2 stories
Residence A Building	9 stories
Residence B Building	18 stories
Cabana Rooms	3 stories

Revised Project

During the Planning Commission review, the project was revised several times with the final applicant submittal consisting of a 9-story Residence A building with 32 units, a 18-story Residence B building with 68 units, a 14-story Waldorf=Astoria with 140 rooms and 8 condominium units with a 2-story element including a restaurant, a 2-story Beverly Hilton conference center with no hotel rooms and a 3-story cabana pool areas with 30 hotel rooms.

Planning Commission Recommendation

The Planning Commission resolutions recommending approval of the project are included as Attachments 1 through 4. The Commission recommended approval of the project on a 5-0 vote. The Planning Commission approval was contingent upon the removal of Residence A and the Waldorf=Astoria building height remaining at 12-stories or lower.

During the review of the project, the Planning Commission recommended several changes to the project as submitted by the applicant. These included, among other items:

1. Elimination of Residence A building (32 units) which results in an increase of ground level landscaping of approximately 24,600 square feet.
2. Increase of the setback of the Waldorf=Astoria from the Wilshire Boulevard from 10.5 feet to 30 feet for the restaurant and from 33.7 feet to 64.9 feet for the hotel. The 12 story portion of hotel was moved 121.7 feet further west

- (83.2 feet to 165.3 feet) of the Wilshire and Santa Monica Boulevard intersection.
3. Redesign of the Waldorf=Astoria driveway entrance to move the driveway further from the Wilshire and Santa Monica Boulevard intersection. The driveway entrance was moved from approximately 346 feet to 575 feet (229 feet further west).
 4. Increase of the amount of ground level landscaping on the project to a total of 2.7 acres (120,700 square feet).
 5. Added additional parking by building out the 4th level of the parking structure for the full footprint of the site. This increased the amount of parking spaces from the original proposal of 1,422 to 1,733. And required valet parking spaces to increase the amount of available parking spaces to 2,183 spaces.

Under the proposed project, as recommended by the Planning Commission, the project site would be redeveloped and reconfigured through the addition of 30 poolside guestrooms to the Beverly Hilton hotel as well as new hotel support, retail and office facilities, a conference center, outdoor landscaped areas, a new five-star 140-room Waldorf Astoria Hotel, and a separate 16-story 60-unit condominium building. Portions of the existing Beverly Hilton Hotel would be demolished, including the Palm/Oasis Court (a decrease of 181 hotel rooms); Cabana/Lanai Rooms (a decrease of 36 hotel rooms); pool terrace and pool; hotel entry drive and valet entrance; Wilshire Boulevard "Edge" building containing the conference center, hotel support space, hotel and professional offices, and retail uses; a portion of the lobby and lobby bar; the former Trader Vic's Restaurant and adjacent surface parking lot; the parking structure; and existing landscaping. The proposed project would result in a net reduction of 47 rooms.

The existing Wilshire Tower and its 352 guestrooms would be retained with upgrades and renovations, including hotel guestrooms, public meeting spaces, restaurants, and spa/salon/fitness facilities, all of which have been recently remodeled. The existing ballrooms and meeting rooms would also be retained.

Proposed building heights, setbacks and number of hotel rooms and condominium units are shown on the following table:

(SEE NEXT PAGE)

Project as Recommended by the Planning Commission					
	Units/ Rooms	Floors	Height (From Adjacent Grade)	Height (From Datum)	Setback (From Property Line)
Residence B	60 units	16 floors	194/207 feet	189 feet	19.5 feet from SM 17 feet from MGW
Waldorf=Astoria with Restaurant	140 rooms	2 / 12 floors	38 / 150 feet	21 / 136 feet	30 – 64.9 feet from Wilshire 83.2 – 165.3 feet from Intersection
Hilton Conf. Ctr. Located on Wilshire Boulevard	0 rooms	2 floors	38 feet	29 feet	30 – 45 feet from Wilshire
Hilton Cabana Rooms Located on Santa Monica Boulevard	30 rooms	3 floors	31 - 32 feet	14 feet	17 feet from SM

Parking would be provided in two, three, and four level subterranean parking structures connected by an underground vehicle access tunnel. One subterranean structure would be centrally located to serve Beverly Hilton hotel guests, staff, and residents of the Residence B building, and would be accessed via the hotel driveway and motor court off Merv Griffin Way and private driveway adjacent to the condominium building. A second subterranean structure at the eastern end of the project site would serve the Waldorf Astoria Hotel building. A total of 1,733 marked parking spaces would be provided with the capacity for 2,183 vehicles utilizing valet parking.

Several circulation improvements are proposed as part of the project. These include the following improvements:

- Wilshire Boulevard improvements would widen the street to provide a new right-turn only lane at Santa Monica Boulevard, improve the curb radius at this location, and a reconstructed traffic signal.
- The curb line would be setback to accommodate a new southbound lane along Santa Monica Boulevard
- Contributing a "fair-share" towards the cost of realigning Merv Griffin Way and providing a northbound left-turn, through, and right-turn lane at the intersection of Wilshire Boulevard and Merv Griffin Way.
- Contributing a "fair share" towards the cost of signaling the intersection of Santa Monica Boulevard and Merv Griffin Way.

Applicant's Revised Project

The applicant has submitted plans for City Council consideration that propose the following changes to the project as recommended by the Planning Commission:

- Waldorf=Astoria would be increased to 14 stories with 170 hotel rooms and no condominiums. Restaurant would remain at 2 stories.
- Thirty (30) proposed hotel rooms at the Beverly Hilton Cabana Poolside area would be eliminated and replaced with 10 condominium units. The height of the building would remain at 3 stories.
- Residence B building would remain at 16 stories and 60 units.
- Residence A building would be added back into the project at 9 stories and 40 units with an increased setback from Wilshire Boulevard. The increased setback would be accommodated by reducing the size (length) of the building. The building would increase in width by 10 feet which would reduce the Merv Griffin Way setback from the original proposed location. In addition, the driveway would be moved from the west side of the building to the south side of the building. These changes are proposed to accommodate more landscaping.
- Fourth level of the subterranean garage would be redesigned and lifts would be provided. The same number of parking spaces (2,183) could be accommodated but there would be 1,523 marked spaces and 210 spaces on lifts (1,733) and 450 valet parking spaces.

The applicant intends to orally review the various exhibits with the City Council at the meeting. A summary of the project as submitted by the applicant are provided in the following table:

(SEE NEXT PAGE)

Project as Revised by the Applicant					
	Units/ Rooms	Floors	Height (From Adjacent Grade)	Height (From Datum)	Setback (From Property Line)
Residence A	40 units	9 floors	110-112 feet	108 feet	84.9
Residence B	60 units	16 floors	194 - 207 feet	189 feet	19.5 feet from SM 17 feet from MGW
Waldorf=Astoria with Restaurant	170 rooms	14 floors with 2 story restaurant	166 feet 38 feet	152 feet 21 feet	30 – 64.9 feet from Wilshire 83.2 – 165.3 feet from Intersection
Hilton Conf. Ctr. Located on Wilshire Boulevard	0 rooms	2 floors	38 feet	29 feet	30 – 41 feet from Wilshire
Hilton Cabana Poolside Located on Santa Monica Boulevard	10 units	3 floors	31 - 32 feet	14 feet	17 feet from SM

Staff Recommendation

Staff recommends the City Council approve the applicant's revised proposal with the following changes:

Residence A 8 stories
Reduce footprint and rotate the building to be parallel with the Hilton driveway entrance

Waldorf=Astoria 12 stories
140 hotel rooms

Cabana Poolside 3 stories
30 hotel rooms

Staff recommends that the height of Residence A building be reduced to below the height of the existing Hilton Tower, which is 95 feet to the roof for the datum point and 105 feet to roof from the adjacent grade. Staff also recommends that the Waldorf=Astoria remain at 12 stories as recommended by the Planning Commission. These changes will improve the view corridor along Wilshire Boulevard, preserve the view of the Hilton Tower and minimize view impacts to the residential single family homes to the north. In addition, reducing the footprint of the Residence A building and

rotating it to be parallel to the Hilton's main driveway will provide more visible open space at the corner and along Merv Griffin Way consistent with the design of the 9900 Wilshire project which was one of the goals of the Planning Commission when they recommended eliminating Residence A. In order to maintain the same number of hotel rooms, staff is recommending that the hotel rooms planned in the cabana/poolside area remain as part of the project.

RECOMMENDATION SUMMARY TABLE			
	Planning Commission Recommendation	Applicant Submittal	Staff Recommendation
Residence A	Eliminated	9 stories 40 units	8 stories Reduce footprint & rotate building
Residence B	16 stories 60 units	16 stories 60 units	16 stories 60 units
Waldorf=Astoria	12 stories 140 hotel rooms	14 stories 170 hotel rooms	12 stories 140 hotel rooms
Conference Center	2 stories No hotel rooms	2 stories No hotel rooms	2 stories No hotel rooms
Cabana/Poolside	3 stories 30 hotel rooms	3 stories 10 units	3 stories 30 hotel rooms

The remainder of the staff report discusses the project entitlements.

Requested Entitlements

General Plan and Zoning Amendment

As part of the project, the applicant is proposing a General Plan Amendment that would change the land use designation for the entire project site from "Low Density General Commercial" to "Beverly Hilton Specific Plan" and to make the following text changes (shown in underline and strikeout format) to the Housing Element.

The text of Program 4.3 of Objective 4.3 of the Housing Element of the General Plan, as that Program is set forth in Section 1.3 (Summary of Housing Program) and Section 3 (Statement of Goals, Objectives and Policies Relative to Maintenance, Preservation, Improvement and Development of Housing for the Next Five Years) of the Housing Element would be amended to read as follows:

"Program 4.3 Develop standards for mixed residential-commercial ~~structures developments~~, with and without low income housing components, including additional height, in areas currently zoned for commercial use and consider appropriateness of various areas, such as:

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-South side of Wilshire Blvd., east of Beverly Dr. (Between Stanley Dr. and LeDoux Rd., extend to north side of Charleville Blvd.)

-Eastern area of Business Triangle.

-South side of Burton Way (commercially zoned parcels).

-Olympic Boulevard (commercially zoned parcels).

-La Cienega Boulevard north of Wilshire Boulevard.

-City-owned property where some or all of the residential units would be for lower income households.

-East side of South Beverly Drive.

-9876 Wilshire Boulevard (The Beverly Hilton site)."

In addition, the applicant is proposing to change the zoning designation for the entire project site from "C3" to the "Beverly Hilton Specific Plan" zone. The floor area ratio (FAR) allowed under the C3 zone is 2 to 1 and the project as recommended by the Planning Commission would have an FAR of 2.16 to 1.

Beverly Hilton Specific Plan

The proposed Beverly Hilton Specific Plan would establish land uses and development, design, and operational standards for the project and the project site. The draft specific plan is included as Exhibit A in Attachment 3.

Chapter 1 of the Specific Plan provides information on the purpose and intent and goals and objectives of the Specific Plan. Chapters 2 and 3 provide the planning context and various components of the Plan. Chapter 4 includes a list of uses that would be permitted on the site as well as requirements for parking, building height, outdoor lighting, signage, and green building standards. Chapter 5 includes provisions for administering the Specific Plan and includes the process and reviewing authority for amendments and modifications to the Plan. Chapter 6 includes items such as standards for the outdoor dining facilities, outdoor living areas and recreational facilities.

Attached to the Specific Plan (Exhibit A in Attachment 3) are the proposed conditions of approval for the project. The mitigation measures from the EIR will also be conditions of approval but they are included with Attachment 1 (EIR Resolution).

Development Agreement

The proposed Development Agreement is intended to provide benefits to both the City and the applicant. The Agreement vests the project entitlements for a five year period and if a Vesting Tentative Tract Map is approved by the City, the term would be extended until the expiration of the vesting tentative map or approval and recordation of a final subdivision map for the project. The Agreement provides the City with infrastructure fees and additional fees that could not otherwise be required of the development.

The Development Agreement (Exhibit A of Attachment 4) for the project would require the developer to make a "public benefit contribution" to the City of \$10,000,000. This contribution would address the project's impact on the City's infrastructure (streets, utilities, lights) and affordable housing. The Planning Commission recommended that a portion of the Public Benefit Contribution be placed in an affordable housing fund. The amount to be placed in the fund would be calculated by multiplying \$261,733 by ten percent (10%) of the number of dwelling units (60). This would result in \$1,570,398 being placed in an affordable housing fund. The Commission also recommended that a 10% (\$1,000,000) of the Public Benefit Contribution be used solely for the purpose of implementing improvements to address congestion at the intersection of Santa Monica Boulevard and Wilshire Boulevard.

In addition, an Environmental Mitigation and Sustainability Fee would be required. The fee would be paid concurrent with each sales transaction. The amount of the EMS Fee would be \$4.50 for each \$1,000 of the sales price of the property. The EMS Fee would be paid from the escrow account set up for the sale. The fee would be paid upon the initial sale of the unit and for each subsequent sale of the unit by the current owner.

The Development Agreement requires an easement for future bus turn outs, an easement for a future subway portal, access for the City shuttle and the provision of a significant gateway feature which could consist of public art or significant architectural feature such as fountains along with a payment of \$500,000 into a fund established by the City for public art.

Environmental Impact Report (EIR)

The purpose of preparing an EIR for a project is to provide the City and the public in general with detailed information about the effects the proposed project is likely to have on the environment and to list ways in which the significant effects might be minimized. An EIR must also identify and analyze alternatives to the proposed project.

A Draft EIR was prepared and circulated on August 8, 2007 for a 52-day comment period. Copies of the Draft EIR and the Appendices were provided to the City Council at that time and are not included as attachments to the staff report. Copies of these documents are available upon request. At the end of the comment period, a Final EIR which consists of Response to Comments and Changes to the Draft EIR was prepared and is included as Attachment 7.

Significant and Unavoidable Environmental Impacts

Six significant, unavoidable impacts were identified in the Environmental Impact Report. Of these six, three impacts related to air quality, noise and ground vibration would only occur during the project construction. The six significant, unavoidable impacts are as summarized as follows:

- Aesthetics and Views – Implementation of the project and the project in combination with the 9900 Wilshire project would create impacts related to consistency with Land Use Element objectives that are significant and unavoidable. Project implementation would also adversely affect views of the Beverly Hilton from the intersection of Wilshire and Santa Monica Boulevards.
- Air Quality – During project construction, oxides of nitrogen (NO₃) emissions would exceed SCAQMD established significance thresholds such that significant

unavoidable impacts would result, even after incorporation of mitigation. The Localized Significance Threshold (LST) analysis shows that maximum 24-hour PM₁₀ and PM_{2.5} concentrations would exceed the threshold of significance at the nearest residential and sensitive receptors to the project site during construction.

- Cultural Resources – Demolition of portions of The Beverly Hilton, including the Wilshire Edge building, pedestrian entry area, pool, and former Trader Vic's restaurant, and the introduction of four new buildings to the project site, would result in significant and unavoidable impacts to an historic resource, as defined in Section 15064.5 of the *CEQA Guidelines*, even after incorporation of mitigation.
- Land Use and Planning – Implementation of the project and the project in combination with the 9900 Wilshire project would result in inconsistencies or conflicts with the goals related to landmark preservation in the General Plan Conservation Element and objectives related to transitional conflict and scale in the Land Use Element.
- Noise – For construction activities performed outside the hours specified within the City's noise ordinance, the project would result in significant project-level and cumulative noise impacts.
- Groundborne Vibration – Due to the proximity of sensitive receptors, ground vibrations from project construction would exceed the Federal Railway Administration (FRA) groundborne vibration threshold such that significant unavoidable impacts would result.

Environmental Impacts Less than Significant

The EIR found that the following areas were less than significant either with or without mitigation: Aesthetics (Light and Glare, Shade and Shadow), Air Quality (Criteria Pollutants – Operations, Localized Carbon Monoxide Emissions – Operations, Consistency with SCAG/AQMP Population Projections, Odors and Hazardous Materials), Cultural Resources (Street Lights, Archaeological Resources, and Paleontological Resources), Geology and Soils, Hazardous and Hazardous Materials, Hydrology and Water Quality, Noise (Other than Construction), Population and Housing, Public Services, Transportation, Traffic, Parking and Circulation, and Utilities and Service Systems.

A list of the Mitigation Measures for the project is included as Exhibit C to Attachment 1 (Planning Commission EIR Resolution). As a point of information, some of the Mitigation Measures in the Final EIR were changed by the Planning Commission and while these changes were incorporated into the Mitigation Monitoring and Reporting Program in Exhibit C, they have not been changed in the Final EIR which had already been printed. An appendix will be added to the Final EIR which discusses these changes.

Findings of Fact and Statement of Overriding Considerations

The California Environmental Quality Act ("CEQA") and the State CEQA Guidelines provide that no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects of the environment unless the agency makes one or more of the following findings (Findings of Fact):

1. Changes or alterations have been required in, or incorporated into the project that avoid or substantially lessen the significant environmental effects as identified in the EIR
2. Such changes or alterations are within the responsibility and jurisdiction of another public agency, not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
3. Specific economic, social, or other considerations make infeasible the mitigation measures or project alternatives identified in the EIR.

Findings of Fact for the project are provided as Exhibit A to Attachment 1.

As noted in number 3 above, CEQA also requires the decision-making agency to balance the economic, legal, social, technological or other benefits of a project against its unavoidable environmental risks when determining whether to approve a project. If the benefits of the project outweigh the unavoidable adverse effects, those effects may be considered acceptable. CEQA requires the agency to provide written findings supporting the specific reasons for considering a project acceptable when significant impacts are unavoidable. Such reasons must be based on substantial evidence in the EIR or elsewhere in the administrative record. A Statement of Overriding Considerations has been prepared for the proposed project and is included as Exhibit B to Attachment 1.

Meeting Schedule

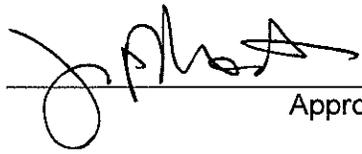
March 25	Staff Presentation Applicant Presentation Public Comments
March 27	Public Comments
April 1	Council Questions
April 8	Council Deliberation
April 15	Council Deliberation and Direction
April 22	Adopt Resolutions and 1 st Reading of Ordinance
April 29	2 nd Reading of Ordinances

FISCAL IMPACT

See discussion under "Development Agreement" above which addresses the potential fiscal impacts to the City resulting from a change from commercial to residential uses at the project site.

Meeting Date: March 25, 2008

Vincent P. Bertoni, AICP
Director of Community Development

 For V.P.B.

Approved By