



AGENDA REPORT

Meeting Date: April 21, 2008

Item Number: C-1

To: Honorable Mayor & City Council

From: Vincent P. Bertoni, AICP, Director of Community Development
Rita Naziri, Senior Planner
Michele McGrath, Senior Planner
Joyce Parker-Bozylinski, AICP, Consulting Planner

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. Resolution for Environmental Impact Report with Exhibits (Findings of Fact, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program)
2. Ordinance for Zone Text and Zoning Map Amendment
3. Ordinance for Development Agreement
4. Development Agreement
5. Final EIR-Appendix C
6. Redline of Mitigation Monitoring and Reporting Program
7. Height Map
8. Revised Project Plans

RECOMMENDATION

Staff recommends that the City Council:

1. Receive a staff presentation.
2. Deliberate on the attached Resolution and Ordinances.
3. Adopt CEQA Resolution
4. Introduce for First Reading Ordinance for Zone Text and Zoning Map Amendment that creates the Beverly Hilton Specific Plan
5. Introduce for First Reading the Development Agreement.
6. Continue this matter to the meeting of April 29, 2008.

PROJECT DESCRIPTION

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 revised project, as directed by the City Council on April 15, 2008, the project site would be redeveloped and reconfigured with the following components:

- Residence A , 6 to 8 stories, 26 – 36 units
- Residence B, 16-18 stories, 64 – 74 units
- Waldorf=Astoria Hotel with 2 to 12 stories and 170 rooms
- Conference Center, 2 stories with no hotel rooms
- Poolside Cabana, 1-story with no units or hotel rooms
- The existing Beverly Hilton hotel will be retained with upgrades and renovations, including hotel guestrooms, public meeting spaces, restaurant, and spa/salon/fitness facilities which were all recently renovated. The existing ballrooms and meeting rooms would also be retained.

The applicant has revised the plans to reflect these revisions and the plans are attached for City Council consideration (Attachment 8, bound separately). Attachment 5, Appendix C, includes a more detailed description of the project and compares the proposed project to the original project reviewed as part of the Environmental Impact Report. Attachment 7, a height map, provides the height of each building as measured from the datum point and adjacent grade.

As part of the Development Agreement negotiations, several parking scenarios were under consideration. The parking shown in the attached project plans represents one of these scenarios. Staff is now recommending provision of the following spaces:

1,572 Striped Parking Spaces
280 spaces with mechanical lift
331 accommodated in drive aisles with valet service
2,183 spaces

This represents the same number of parking spaces as recommended by the Planning Commission and the applicant is in agreement regarding the provision of these parking spaces. If the City Council concurs with these numbers, these revised plans will be part of the City Council packet for the next meeting. It should be noted that the DEIR concluded that having as few as 1,422 would not result in a significant environmental impact.

BACKGROUND

The City Council held public hearings on the draft Environmental Impact Report and project on March 25th and March 27th and received extensive public testimony. On April 1st, April 8th and April 15th, the City Council received additional presentations from staff

and the applicant and received additional public testimony. The public hearing was closed on April 15, 2008.

At the April 15th hearing, the City Council heard presentations on two project scenarios discussed at the Ad Hoc Committee meetings held on the project. These scenarios consisted of several options for the residential portion of the project. The options included:

- Scenario A, maintaining both Residence A and B
- Scenario B, eliminating Residence A but with an expanded Residence B building.

Both scenarios included approximately the same amount of residential square footage. With Scenario A, the residential buildings would have a smaller footprint and there would be transition in height from Wilshire Boulevard. Scenario B, which eliminated Residence A, would create more open space on the corner of Wilshire Boulevard and Merv Griffin Way and would provide a view of the existing Hilton Tower. At the April 15th hearing, there was also discussion regarding the height of the proposed new Waldorf=Astoria hotel. The City Council discussed these scenarios and asked additional questions of staff and the applicant. At the conclusion of the hearing, the City Council provided direction with regard to a preference for Scenario A and staff has prepared resolutions and ordinances for the City Council's consideration should the Council wish to take action. It was also noted that the Ad Hoc Committee would meet again with the applicant to discuss the Development Agreement terms.

DISCUSSION

The purpose of this hearing is for the City Council to review and adopt a resolution certifying the Environmental Impact Report (EIR) and to conduct first reading of ordinances amending the Zoning Code and approving a Development Agreement between the City and the project developer.

The City Council must take action to certify the Environmental Impact Report (EIR) before taking action on the project. The CEQA Resolution is included as Attachment 1 and contains the Findings of Fact, Statement of Overriding Considerations and Mitigation Measures. The Council must adopt Findings of Fact and a Statement of Overriding Considerations as well as a Mitigation Monitoring and Reporting Program (MMRP) as part of the EIR certification. The MMRP was updated to be consistent with the changes that were made to the MMRP for the 9900 Wilshire project and the updated MMRP for this project is included as Attachment 6 to this report and the changes are noted in an underline/strikeout format.

As part of the Final EIR, one new document (Appendix C) is attached (Attachment 5). Appendix C was prepared to analyze the changes made to the original project. The analysis of those changes found that no new significant environmental impacts were created by the changes and as such recirculation of the EIR is not necessary.

The Ordinance approving the Zoning Code Amendment (Attachment 2) would change the zoning designation for the entire project site from "C3" to the "Beverly Hilton Specific Plan" zone and add the new zone to the Zoning Code. Details of the development standards and project conditions will be included in the Specific Plan resolution which will be before the City Council on the April 29, 2008 hearing for review and adoption.

The Ordinance approving the Development Agreement is included as Attachment 3. As you may recall, the Development Agreement recommended by the Planning Commission has the following major terms and conditions:

- Municipal Surcharge equal to 2.5 percent on gross room revenues for all Waldorf=Astoria rooms;
- No Municipal Surcharge or present day cash equivalent for Hilton Hotel rooms;
- Public Benefit Contribution based on the Planning Commission recommended project was \$6.4 million (to be adjusted up or down based on the square footage of the project ultimately approved by the City Council);
- Public Benefit Contribution payments scheduled for 60 percent at the time of the building permit on the Waldorf=Astoria and 40 percent at the time of the building permit for the one condominium building recommended by the Planning Commission;
- No discussion of required parking because this is part of the Specific Plan, not part of the development agreement;
- Contribution to affordable housing was \$1,570,398 (part of the Public Benefit Contribution) as recommended by the Planning Commission;
- The developer was required to install a "significant gateway statement" at the intersection of Santa Monica and Wilshire Boulevards but no monetary cap was place on the cost to the developer;
- A set-aside of \$1.0 million was proposed for improvement of the intersection of Santa Monica and Wilshire Boulevards;
- School Benefit Fee was included but the amount was left blank to allow the School District and the developer to come to conclusion on their negotiations;
- Provision in Section 7 limits hotel occupancies to 30 days or less.

Attachment 4 is the Planning Commission Recommended Development Agreement for reference purposes only. As a result of continuing negotiations, revised Development Agreement(s) will be provided under separate cover.

Staff is recommending that the City Council take the following actions: (1) Adopt the attached CEQA Resolution; (2) Introduce for First Reading the attached Ordinance for the Zone Text and Zoning Map Amendment; (3) Review the proposed development agreement (4) Introduce for First Reading the attached Ordinance for the Development Agreement; and (5) Continue the matter to April 29th and direct staff to bring back Resolutions for the General Plan Amendment and the Specific Plan on that date. The Specific Plan will include the project conditions of approval.

Second Reading of the Ordinances will be placed on the May 6, 2008 City Council agenda for adoption.

Meeting Date: April 21, 2008

Vincent P. Bertoni, AICP
Director of Community Development



Approved By