

# Agenda Report

May 18, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Planning & Community Development Department

**SUBJECT: AMENDMENT TO CONTRACT NO. 21,420 WITH CDM SMITH, INC., TO INCREASE THE TOTAL NOT TO EXCEED AMOUNT BY \$38,431 FROM \$326,000 TO \$364,431 FOR ENVIRONMENTAL CONSULTING SERVICES FOR THE PROPOSED HILL AND COLORADO HOTEL PROJECTS AT 1336 AND 1347 EAST COLORADO BOULEVARD**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines section 15061 (b) (3), the general rule that CEQA only applies to projects that may have an effect on the environment; and
2. Authorize the City Manager to amend Contract No. 21,420 with CDM Smith, Inc. by increasing the contract amount by \$38,431 thereby increasing the not to exceed amount from \$326,000 to \$364,431 for the preparation of environmental documentation for the proposed Hill and Colorado Hotel Projects.

## **BACKGROUND:**

The Planning and Community Development Department has been working with a project team from J & K Plus Investment, LLC on the proposed development of the former Pasadena Ford which is comprised of two sites. The larger of the sites has an area of 2.94 acres, is situated at the northwest corner of Colorado Boulevard and Hill Avenue and addressed 1355 East Colorado Boulevard and 39 North Hill Avenue. The smaller site has an area of 0.69 acres, is located at southeast corner of Colorado Boulevard and Holliston Avenue and is addressed 1336 East Colorado Boulevard. Proposed is a Planned Development to establish standards to allow a seven-story 375-room hotel on the larger "north" parcel and a smaller four-story 150-room hotel on the "south" parcel. Ground floor commercial uses are proposed on both sites.

An Environmental Initial Study was completed on October 18, 2013, which determined that an Environmental Impact Report (EIR) would be the appropriate environmental

document for the project. Additional technical studies have been completed and have verified that an EIR was needed.

On June 17, 2013, the City Council authorized the City Manager to enter into a contract with CDM Smith, Inc. for this EIR. CDM Smith is an established firm that has been in business since the 1940's with their local office in Los Angeles. CDM Smith has worked on various complex projects of regional significance, including the Los Angeles County Metropolitan Transportation Authority (Metro) Eastside Gold Line Extension. Recent EIRs for local projects include the Marriott Residence Inn at Fair Oaks and Walnut, the Green Hotel Apartment project at Fair Oaks and Dayton, and the adaptive reuse of the Julia Morgan building at Marengo and Union for a hotel project. The firm has been working on this project since the execution of contract 21,420 on August 22, 2013.

To initiate the EIR process, two scoping meetings were held on November 7, 2013 with the community and November 13, 2013 before the Planning Commission to gather input from the community and Commissioners on the areas that should be studied in the EIR.

An administrative Draft EIR was prepared by CDM-Smith and reviewed by City staff in late 2014. As a result of this review, additional information was requested of the applicant team to further refine the project. In addition, the applicant chose to have a new traffic analysis prepared to replace the previously prepared traffic study that had been analyzed in the administrative Draft EIR and on which other analyses (Noise, Air Quality, Greenhouses Gases) had been based. The purpose of the new traffic study was to bring the traffic analysis in line with the recently adopted Transportation Performance Measures. The information request and new traffic study will result in additional work and time on behalf of the environmental consultant to revise the administrative Draft EIR prior to release of the Draft EIR for public review and comment.

CDM Smith's Inc. additional scope of work includes updating the Traffic, Air Quality, and Greenhouse Gases sections Administrative Draft EIR, as well as updates to the Historical Recourses Technical Report. Project management, including meetings and weekly check-in phone calls, is also included. Funds that currently remain in the budget will be sufficient to complete the Final EIR following circulation of the Draft EIR. The contract amendment will accommodate the additional costs to prepare the Draft EIR and the additional costs, as with the initial contract costs, will be borne by the project applicant.

Upon completion of the administrative Draft EIR, it will be reviewed by city staff and outside legal counsel prior to the release of the Draft EIR for public review and comment, including review and comment by the Planning Commission. The Final EIR, including responses to all comments received during the comment period, will be presented to the Planning Commission along with the Planned Development entitlement for recommendation to the City Council.

**ENVIRONMENTAL REVIEW:**

The proposed action is authorization to amend an existing contract with CDM Smith Inc. for the preparation of environmental documentation for development of a seven-story 375-room hotel and a four-story 150-room hotel on two separate parcels at 1355 and 1336 East Colorado Boulevard. This action will authorize the preparation of a technical study only and is therefore exempt from CEQA per Section 15061(b)(3) (General Rule).

**FISCAL IMPACT:**

The cost of this action is \$38,431, increasing the contract amount from \$326,000 to \$364,431, including all options, allowances, labor, direct expenses and contingency. Funding for the preparation of the EIR document will not have a direct fiscal impact on the City's General Fund as \$38,431 will be collected and deposited into account #8115-105-444100-95554 prior to the execution of the proposed contract amendment and authorization of work. It is anticipated the remaining balance of the contract will be spent during the 2015 and 2016 fiscal years. Indirect and support costs will be addressed by utilization of existing budget appropriations in the Zoning Administration operations budget account# 101-444300.

Respectfully submitted,



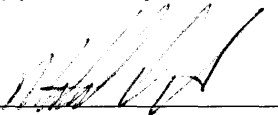
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