



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council

FROM: Laurel O'Halloran, Associate Planner

MEETING DATE: July 20, 2016

SUBJECT: Approve a service contract with Michael Baker International, to provide Professional Environmental Planning Services

CEQA: This action is not a project under section 15378 of the CEQA Guidelines, set forth in the California Code of Regulations, Title 14, Section 15000, et seq.

RECOMMENDATION

Authorize the City Manager to execute a contract with Michael Baker International to provide professional environmental planning services in an amount not-to-exceed \$56,000, conditioned upon the commitment of Holman Building Associates to reimburse the City in full for this cost.

DISCUSSION

On March 14, 2016, RRM Design Group applied for an Architectural Permit and a Use Permit for a hotel use at 157 Grand Ave. The site is located on the Holman Block which is in the C-1-T Zoning District. A hotel use is permitted in the C-1-T Zoning District. The demolition of the existing non-historic structure and the building of a new 125 room Hotel could be considered to have a significant impact on the environment under the California Environmental Quality Act (CEQA), and therefore requires the preparation of an Initial Study.

On April 18, 2016, the City issued a Request for Proposal to prepare an Initial Study for the proposed hotel use. The scope of work the consultant will be responsible for includes:

- 1) Project Initiation/Notice of Preparation and Initial Study;
- 2) Preparation of Administrative Draft Initial study
- 3) Publish Draft Initial Study;
- 4) Preparation of Final Initial Study and Mitigation and Monitoring and Reporting Program;
and
- 5) Additional Meetings and CEQA Findings.

The scope of work, budget and schedule is attached.

The following two proposals were received:

- 1) Rincon Consultants at a cost of \$59,788;
- 2) Michael Baker International at a cost of \$55,750.

Proposals were rated using the following criteria: understanding of project objectives and timeline; proposed project approach and design principles; ability to provide high quality, cost-effective consultation services; and comparable experience and staffing plan.

Michael Baker is recommended as the most qualified responsible bidder for a number of reasons including: 1) Darcy Kremin, the environmental practice leader, is a qualified environmental planner and has the most relevant and appropriate background and qualifications to conduct the environmental planning (CEQA) review; 2) the proposed timeline allows for a thorough and efficient process; 3) Michael Baker demonstrated a thorough understanding of the issues; 4) Past experience with Michael Baker on previous CEQA documents has been exemplary; and 5) The best scope of work for the contract price.

This action is not a project under section 15378 of the CEQA Guidelines, set forth in California Administrative Code, Title 14, Section 15000, et seq.

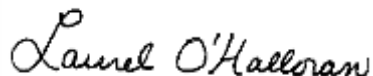
FISCAL IMPACT

None. The cost burden will be borne by the hotel project applicant.

ATTACHMENTS

Michael Baker International Scope and Budget

Respectfully submitted,



Laurel O'Halloran
Associate Planner

Reviewed by:



Ben Harvey
City Manager

CITY OF PACIFIC GROVE

ENVIRONMENTAL REVIEW SERVICES FOR THE PACIFIC GROVE HOTEL PROJECT

APRIL 28, 2016

Submitted to:

Laurel O'Halloran
Associate Planner

City of Pacific Grove
Community & Economic
Development Department
300 Forest Avenue
Pacific Grove, CA 93950

Submitted by:

Michael Baker
INTERNATIONAL

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We Make a Difference

April 28, 2016

Laurel O'Halloran, Associate Planner
CITY OF PACIFIC GROVE
300 Forest Avenue
Pacific Grove, CA 93950

RE: PROPOSAL FOR ENVIRONMENTAL REVIEW SERVICES FOR THE PACIFIC GROVE HOTEL PROJECT

Dear Ms. O'Halloran:

Michael Baker International understands the issues associated with California Environmental Quality Act (CEQA) compliance for the Pacific Grove hotel project, having worked locally on numerous projects and as an extension of staff in Pacific Grove. We are uniquely qualified to work on this project, as we assisted the City with CEQA compliance for the recent zoning change that will allow a hotel of this size on the project site. We also understand that the project will need to be consistent with the City's pending update to the Local Coastal Program to obtain a Coastal Development Permit. It is with this understanding that we are committed to meeting the City's needs and expectations.

We propose to assign a small core team of professionals to this project, assisted as needed by other in-house technical staff. The key personnel who will work on the project are:

- Tad Stearn, managing director, will be responsible for overall contract management and staff availability.
- Darcy Kremin, environmental practice leader, will be the project manager for the duration of the assignment.
- Florentina Craciun, senior planner, will be the lead planner and analyst.

The goal of these and all Michael Baker staff members will be to represent the City's interests and to provide the best possible information and analysis to assist the City in the decision-making process. In addition, we have teamed with Hexagon Transportation Consultants to provide a traffic and parking impact assessment.

We appreciate the opportunity to continue our service to Pacific Grove, and we are ready to begin work immediately. Please contact Tad Stearn at (831) 383-7974 or tstearn@mbakerintl.com with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Gustorf".

Kevin Gustorf, PE

Vice President

A handwritten signature in blue ink, appearing to read "Tad Stearn".

Tad Stearn
Managing Director

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The Pacific Grove hotel is a significant project for Pacific Grove and certain to attract significant public interest. This environmental review effort requires a full understanding of local environmental issues, policy and political issues, and consistency with the Coastal Act. Michael Baker International will provide the right combination of project management and technical resources to address all aspects of the project.

PROJECT UNDERSTANDING

We understand that the applicant seeks to build a three-level, 125-room hotel on an underutilized site adjacent to and north of the Holman Building. The site currently consists of a surface parking lot and a commercial building that contains retail and restaurant uses. The building is not on the Pacific Grove Historic Inventory and is not considered eligible for the California or National Registers. Based on prior review by the City's Historic Resources Committee, demolition would not cause significant historic impacts.

Our project team has in-depth knowledge of this project site since we worked on the CEQA compliance for the zoning change that will allow this project (C-1-T zone). As such, we are able to draft the documents efficiently and knowledgeably.

ANALYSIS AND SCOPING APPROACH

Based on the City's request, we will prepare an Initial Study/Mitigated Negative Declaration (IS/MND). Because Pacific Grove consists of densely populated, small-lot neighborhoods immediately adjacent to this commercial site, the IS/MND will focus on "neighborhood-level" impacts that could affect the day-to-day experience of local residents. We will address all environmental resource areas of CEQA Appendix G, the "environmental checklist" but certain areas will be analyzed in greater detail, as described below.

SCOPE OF WORK

This scope reflects our project understanding and expertise to help the Pacific Grove hotel project comply with CEQA.

Task 1. Initial Study and Notice of Intent to Adopt

We will draft the Notice of Intent to Adopt (NOI) for City review. Any final edits will be made to the NOI, and the Initial Study will be prepared for City distribution and publication.

Project Description

The project description will describe the site's location, history, and current uses, the applicant's proposed uses and construction methods and duration, project objectives, a list of agencies that are expected to use the environmental clearance documents, permits and other approvals needed, and other federal and state regulatory requirements, if any. This section will include up to six graphics to illustrate the site and the proposed hotel project, based on the application materials submitted.

Environmental Analysis

We will use CEQA Guidelines Appendix G to document our assumptions to scope out certain environmental resources. Because the hotel is essentially an infill project, we expect that the following resource areas will not need detailed analysis.

The following resource areas will be analyzed in greater detail, based on our initial review of the proposal.

Aesthetics

We will use the applicant's architectural renderings and simulations (as available) to describe any changes in the visual character or visual quality of the surrounding neighborhood, including public views and vistas. We will examine the project's potential to conflict with the existing scale and massing of the adjacent neighborhood and built environment, including the potential for shadows. We will also include a discussion of additional lighting impacts from exterior lights and will recommend measures to minimize those impacts. Aesthetic impacts will be measured not only against standard CEQA thresholds but also against the scenic and visual resources protection policies of the draft LCP and the Coastal Act. We will consider best design practices and the City's residential design guidelines (2008) in drafting reasonable, feasible mitigation.

Air Quality/Greenhouse Gas Emissions

Michael Baker will prepare the air quality analysis based on the project-specific traffic report (detailed below). Pacific Grove is located in the North Central Coast Air Basin (NCCAB). The Monterey Bay Unified Air Pollution Control District (MBUAPCD) is the air pollution control agency for the NCCAB, and our analysis will describe federal, state, and MBUAPCD ambient air quality standards applicable to the proposed project, as well as the current status of air quality planning programs. Primary pollutants of concern in the NCCAB include ozone, particulate matter, carbon monoxide, and toxic air contaminants. For the CEQA documentation, we will conduct an air quality analysis by comparing the projected pollutant emissions of the hotel uses to an estimate of existing emissions. We will base our air quality impact analysis on the San Luis Obispo County Air Pollution Control District's recommended methodologies and thresholds of significance, including those documented in the CEQA Air Quality Handbook, because the MBUAPCD does not yet have thresholds. We will quantify short- and long-term operational emissions associated with the project using the California Emissions Estimator Model (CalEEMod). CalEEMod is a statewide land use emissions computer

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model designed to quantify potential criteria pollutant emissions associated with both construction and operations from a variety of land use projects. As part of this technical analysis, we will identify the anticipated greenhouse gas (GHG) emissions associated with project construction and implementation and will compare them with the City's GHG reduction targets. Although the City has not adopted a climate action plan, we will list the project's GHG reduction measures, if any. This will consist of an estimation of the GHG emissions reduced through project design and LEED programming.

Cultural Resources

Because the site has historically been heavily disturbed by its prior use, the proposed project is not expected to result in any significant effects to archaeological resources. However, the extensive excavation may impact Native American tribal resources, and as such, we will draft mitigation measures as necessary. We will also help the City with its Native American tribal consultation requirements per Assembly Bill (AB) 52, if requested.

Geology and Soils

Construction activities could expose new structures to geologic and seismic hazards. To confirm the site conditions and identify potential geotechnical hazards, we will review the applicant's geotechnical investigation. We understand the site could be underlain with granite which could pose potential problems. Our analysis will include a summary of soil suitability and constraints to development. In addition, we will summarize the project area's geologic setting, including information regarding seismic hazards, liquefaction, landslides and slope instability, expansive soils, stormwater impacts, and erosion in the project area. Mitigation measures will be included for any identified significant impacts.

Hydrology and Water Quality

Although the site is completely paved and is unlikely to affect water resources, there is a potential for excavation to impact groundwater since the water table is fairly high in this area. To that end, this section will describe current drainage features, flooding conditions and City standards, policies, and requirements related to storm drainage and flooding. We will identify and address issues related to groundwater in particular. The section will also describe how drainage and water quality impacts would be addressed through existing standards and policies.

Traffic and Circulation

Hexagon Transportation will prepare a trip generation and operations analysis to evaluate the magnitude of traffic to be added to the roadway system with the proposed hotel development. The analysis will consist of an evaluation of trip generation and existing intersection operating conditions in the project vicinity. The following specific tasks will be undertaken.

Site Reconnaissance and Existing Observations. The site's physical characteristics and the surrounding roadway network will be reviewed to identify existing roadway cross sections, intersection lane configurations, traffic control devices, and surrounding land uses. Existing traffic conditions will be observed

in the field to identify any operational deficiencies and to confirm the accuracy of calculated levels of service. Hexagon will review information generated for Project Bella, if available, to ensure consistency with respect to existing conditions.

Existing Site Trip Generation. Estimates of trips currently generated by the existing site uses will be based on standard trip rates as well as trip generation surveys conducted at the site driveways. Hexagon will be provided the site occupancy at the time of the surveys. Hexagon will work with project staff to provide notification to on-site staff that tubes will be placed at site driveways to conduct the surveys.

Proposed Project Traffic Projections. Trip generation estimates for the proposed project will be developed based on the number of proposed hotel rooms and vehicular trip generation rates recommended by the Institute of Transportation Engineers' Trip Generation Manual, 9th Edition, 2012. The trip estimates for the proposed project will be compared with traffic associated with the existing uses on the site, as determined in the previous task, to determine the net increase/decrease in peak-hour trips attributed to the proposed project.

Evaluation of Intersection Levels of Service. Intersection level of service calculations for existing and project conditions will be performed for the following four intersections:

1. Fountain Avenue and Central Avenue
2. Fountain Avenue and Lighthouse Avenue
3. Grand Avenue and Central Avenue
4. Grand Avenue and Lighthouse Avenue

The purpose of the level of service analysis is to identify the intersections' current operating conditions and evaluate whether the proposed project may have an adverse impact on intersection operations. In addition, the cumulative effects of the proposed project as well as the other proposed hotel project (Bella) will be evaluated. New AM and PM peak-hour intersection turn-movement counts will be completed at each of the intersections.

Parking Demand Analysis. The adequacy of proposed on-site parking will be evaluated. The evaluation will determine whether the proposed on-site parking supply meets the City's parking code and the extent of off-site parking necessary, if any. The location and general occupancy of surrounding on-street and public parking facilities will be identified. However, this scope does not include a comprehensive survey of parking facilities surrounding the project site that quantifies parking supply and occupancy.

Bicycle, Pedestrian, and Transit Facilities. A qualitative analysis of the project's effect on transit service in the area and on bicycle and pedestrian circulation in the study area will be included in the report. The evaluation will include a review to ensure that the proposed project does not prohibit the completion of planned bicycle and pedestrian facilities.

Results Memorandum. Findings will be summarized in a draft technical memorandum. Hexagon will respond to editorial comments and prepare the final memorandum.

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Michael Baker staff will incorporate the findings into the IS/MND.

Noise

In the noise impact report, we will include a description of the existing noise environment, including nearby noise sources and noise-sensitive receptors, based on existing environmental documentation and a one-day site reconnaissance. We will describe relevant background information, including noise fundamentals, descriptors, and the applicable federal, state, and local regulatory framework. As part of the site reconnaissance, Michael Baker International will conduct up to three short-term (i.e., 10- to 30-minute) noise measurement surveys at various locations on and in the project vicinity to document the existing noise environment. Relevant background information, including noise fundamentals, descriptors, and applicable federal, state, and local regulatory framework, will be described.

To assess potential construction noise impacts, we will identify sensitive receptors and their relative exposure to the proposed project area considering topographic barriers and distance. We understand that the project area abuts a dense residential area, requiring an emphasis in the analysis on neighborhood-level impacts. We will determine the noise levels of specific construction equipment and will calculate resultant noise levels at nearby receptors. We will also provide a qualitative analysis of potential vibration impacts from pile driving or other intensive construction techniques, particularly to historic structures.

We will assess long-term transportation and stationary-source noise impacts attributable to the project. As part of this analysis, we will calculate predicted traffic noise levels using the Federal Highway Administration roadway noise prediction model, based on data obtained from the traffic analysis described above. We will summarize and present the predicted distances to traffic noise contours, as well as increases in traffic noise levels attributable to the proposed project, in tabular format.

We will quantitatively assess noise sources commonly associated with proposed land uses that could adversely affect nearby noise-sensitive land uses. Hotels can generate unique noise profiles and off-peak noise sources, such as frequent deliveries, garbage removal, 24-hour operations, and traffic flows. All reasonably assumed noise sources will be incorporated into the analysis. We will recommend noise reduction measures, such as the use of increased building insulation and noise-reducing architectural components, sound barriers, and enclosures, to the extent applicable and necessary.

Land Use and Planning

We will describe the existing land use and development patterns in the surrounding area. We will evaluate the project's consistency with zoning regulations, General Plan policies, the Local Coastal Program Land Use Plan (currently being updated by the City), the California Coastal Act, and other related plans and standards, focusing on those that were adopted for the purpose of avoiding or reducing environmental impacts.

With respect to the Coastal Act, the CEQA analysis will utilize the work recently completed for the City's draft LCP to the greatest extent possible as applicable to this specific site. Using the Coastal Commission's

Local Coastal Program Update Guide, we understand that the pending LCP will be the guiding policy document affecting this project. As such, the analysis throughout the CEQA document needs to ensure sufficient attention and review is given in the areas of public access, provision of visitor-serving facilities, Environmentally Sensitive Habitat Areas (ESHAs), cultural resources, scenic and visual resources, and coastal hazards.

Public Services

Our analysis will describe potential impacts from project implementation on public services, particularly fire and police. We will document existing staff levels, equipment and facilities, current service capacity, existing service boundaries, and planned service expansions. We will also describe City policies, programs, and standards associated with the provision of public services. We will assist the City in identifying other mitigation measures to minimize any adverse impacts on public services.

Utilities and Service Systems

In this section, we will evaluate the project's impact on existing service systems, including water, wastewater, and utilities. We will consult with the City's Public Works Department and other departments and utility providers as necessary to determine impacts to systems. Essential to this section are the water, storm drain, and sewer requirements to be provided by the project applicant, as available. These studies will help us analyze potential project impacts and identify mitigation measures, as needed.

Water supplies for the project will come from existing allocations from existing potable water use on the site (1.725 acre-feet per year); however, total demand is estimated at 5.74 acre-feet per year. The gap in supply will need to be met with an alternative source of public or private water. At this time and for scoping purposes, it is assumed that new private supplies (new well) will not be pursued. If such a supply is pursued, all hydrogeological and feasibility data will be supplied by the applicant. If a new source of water is not available, project approvals may be contingent on the City's participation in a larger regional water project, currently in the planning and environmental review stage. No water supply assessment is proposed because the project would not exceed 500 hotel rooms or 500,000 square feet of retail commercial space, per Senate Bill 610. We will consider all water supply data compiled by others, including the assessment pertaining to the conversion of retail uses to a hotel use. The project's ultimate water demand will be evaluated against available supply or credits, and any plan to augment water supply will be included in the environmental review.

City Review/Publish Draft IS/MND

Upon receiving comments on the Administrative Draft IS/MND, we will meet with City staff to go over comments and resolve any outstanding issues. A screencheck Draft IS/MND in highlighted text for changes will be provided to confirm edits with the City, along with a clean version (no track changes) for final review.

We will prepare both hard copy and electronic copies and deliver them to the City. We will deliver 15 of those copies with the Notice of Intent to Adopt to begin the 20-day public review period. Michael Baker

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typically provides all technical appendices, as well as a PDF of the document, on a CD included with each printed copy. All documents will be suitable for posting on the City's website. If the City desires a longer review period, the project schedule will be adjusted accordingly.

Publish Final IS/MND

At the conclusion of the public review period, we will review any comment letters received and work with the City to revise the IS/MND if necessary. We will provide an administrative draft Final IS/MND for City review. The Final IS/MND will include the mitigation monitoring and reporting program in a separate chapter.

This scope assumes 5 comment letters of normal detail (one to three pages in length) based on our understanding of the community's concerns. Comments in excess of these assumptions will be considered outside of this scope of work and cost estimate. We will work closely with City staff in drafting responses and revising the Draft IS/MND. This scope assumes no new technical analyses or fieldwork are required to respond to comments.

Upon City approval of the Final IS/MND, we will finalize the document and prepare a draft Notice of Determination for the City's use. We will also attend one public meeting to adopt the IS/MND. This scope does not include any Findings of Fact or Statement of Overriding Considerations.

Task 2. Staff Meetings/Public Hearing

We will attend and participate in the following meetings:

- Staff meetings
- Public meeting to certify the CEQA document
- One additional public hearing as requested

Project management staff consisting will attend the public meetings and make presentations as needed.

SCHEDULE

Michael Baker International has a proven track record of meeting or exceeding project schedules. We do this by working efficiently in these ways:

- We use available data to the extent feasible.
- We avoid unnecessary analyses and data collection.
- We produce quality documents that get it right the first time to avoid endless rewrites and revisions.
- We start by knowing when we want to finish the project and working our way back to a reasonable, feasible schedule.
- We provide flexibility in providing documents simultaneously or on parallel tracks, depending on the nature of the work and what needs to be done.

Michael Baker is prepared to kick off the project immediately and will mobilize the resources needed to meet the City's needs. The schedule below assumes that we receive partial notice to proceed by May 17, 2016, and full contract approval on June 15, 2016. We will work diligently to meet our schedule and to expedite it whenever possible. The schedule may be refined based on scope negotiations with the City and a more detailed review of work tasks and assumptions.

Detailed Project Schedule

Deliverable/Event	Duration (Weeks)	Proposed Schedule	
		Start	Finish
Task 1: Initial Study and NOI	18 weeks	May 17, 2016	September 16, 2016
Administrative Draft IS/MND*	10 weeks	May 17, 2016	July 29, 2016
Prepare traffic study**	8 weeks	May 17, 2016	July 15, 2016
City reviews Administrative Draft IS/MND	2 weeks	August 1, 2016	August 12, 2016
Publish Draft IS/MND and NOI	1 week	August 15, 2016	August 19, 2016
Public review period	20 days	August 22, 2016	September 11, 2016
Final IS/MND	1 week	September 12, 2016	September 16, 2016
Task 2: Staff Meetings/Public Hearings		As noted below	
Staff Meetings		As Needed	
City Council Adopts MND	1 meeting	September 21, 2016	September 21, 2016

*cannot be completed until traffic study is done

**full analysis will commence upon City Council approval of contract

Michael Baker
INTERNATIONAL

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COSTS

COSTS

Tasks	Project Director	Project Manager / Sr Water Engineer	Senior Planner	Tech Staff	Assistant Planner	GIS/Graphic	Technical Editor	Admin	Total Hours	Total Budget
	\$210	\$185	\$120	\$105	\$75	\$80	\$80	\$65		
Task 1: Initial Study and NOI	4	26	60	60	80	16	16	2	264	\$27,840
Task 2: Public Hearing	4	8	8					2	22	\$3,410
Subtotal	8	34	68	60	80	16	16	4	286	\$31,250
Hexagon Transportation										
Direct Costs										\$22,000
										\$2,500
Total	8	34	68	60	80	16	16	4	286	\$55,750

* Ms. Kremin can attend public meetings for an additional \$1,000 per meeting.