COUNCIL COMMUNICATION

#

City Clerk Use Only

DATE:	**FEBRUARY 4, 2014**
TITLE:	**310 CONFERENCE CENTER DRIVE (HOTEL & CONFERENCE CENTER PROPERTY) – BUDGET ADJUSTMENT AND FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT.**
CONTACT:	**MIKE ISOM, DEVELOPMENT & OPERATIONS MANAGER CITY MANAGER'S OFFICE, (916) 774-5527, misom@roseville.ca.us,**

Meeting Date: February 19, 2014

SUMMARY RECOMMENDATION

Staff recommends that the City Council:

1) Adopt an ordinance authorizing a budget adjustment of $45,715 from the Strategic Improvement Fund (Fund 110) to the hotel & conference center project account (10001-6130/131001-30) for additional environmental analysis and site investigation; and,
2) Adopt a resolution approving the First Amendment to the Professional Services Agreement with Dudek for preparation of an Environmental Impact Report.

BACKGROUND

On September 11, 2013, the City Council authorized the City Manager to execute a professional services agreement with Dudek to prepare an Environmental Impact Report (EIR) for the Hotel and Conference Center project. In an effort to save cost, the original scope of work and budget for the EIR assumed that certain areas of impact analysis would be "focused out" with the Initial Study. That is, potential environmental effects determined to be less than significant or have no impact based on evidence in the record would be discussed in the Initial Study, but not included in the text of the Draft EIR.

Subsequently, staff has determined that some areas originally planned to be focused out should now be addressed in the EIR, including cultural resources and aesthetics. In addition, staff recommends adding an urban decay analysis to the scope of work. Finally, more detailed wetland assessment is required to identify potential wetland impacts resulting from the proposed bridge to the Galleria Mall. The not-to-exceed cost associated with this additional work is $24,440. The revised scope of work and budget are included in Exhibit A.

In addition to the environmental work described above, additional site investigation work is required to complete the schematic design drawings currently underway, including a geotechnical report and topographic survey. The cost associated with these tasks is $21,275. Scopes of work are provided for reference as Attachment 1.

Routing Approval:

_____ASD _____ACM _____ATTY

BUDGET ADJUSTMENT

A budget adjustment of $45,715 is proposed from the Strategic Improvement Fund to the Hotel & Conference Center project account to complete the additional environmental analyses and site investigation work. Sufficient funds are available in the Strategic Improvement Fund.

FISCAL IMPACT

The fiscal impact associated with the work described above is $45,715. As previously disclosed, costs associated with the hotel & conference center project will be considered a part of the City's financial contribution toward the project, should the decision be made to move forward with development. Further, should the project ultimately proceed to construction, the parties intend, though cannot guarantee at this time, that these sums would be reimbursed to the City upon capitalization of the project.

ECONOMIC DEVELOPMENT/JOBS CREATED

As previously reported to the Council, the City's *Construction Project Economic Impact Tool* estimates that construction of a hotel & conference center would result in the following economic impact[1]:

- 619 total jobs associated with construction: 391 direct and 228 through indirect and induced activities[2]
- 200 permanent jobs associated with hotel & conference center operation
- $84,479,722 in total annual economic output[3]: $44,406,478 in direct output and another $24,291,810 through indirect and induced activities.

An analysis demonstrating the anticipated direct, indirect, and induced economic impact of facility operations is currently underway and nearing completion.

ENVIRONMENTAL REVIEW

The conduct of feasibility or planning studies does not require California Environmental Quality Act (CEQA) review. Cal. Code Regs., Title 14, Section 15262. Moreover, the activities contemplated under the Phase One Agreement are limited to pre-development exploration of financial and project feasibility. These exploratory activities do not constitute an approval of the Hotel and Conference Center project nor require or commit the City to subsequently approve the construction of the Hotel and Conference Center project. Additionally, these exploratory activities do not further the Hotel Conference Center project in a manner which would preclude meaningful CEQA review of alternatives or mitigation measures. *Save Tara v. City of West Hollywood*, 45 Cal.4th 116 (2008); *Cedar Fair v. City of Santa Clara*, 194 CA4th 1150 (2011); and, *Neighbors For Fair Planning v. City and County of San Francisco*, 2013 WL 3209381 (2013).

---

[1] Assumes estimated hard construction cost of $54.3 million

[2] 11.4 total jobs per $1 million in construction costs; 7.2 direct, 4.2 indirect and induced.

[3] $1 million in construction cost supports $1,555,796 total annual output ($1 million direct, $555,796 indirect and induced)

Respectfully submitted,

Mike Isom, AICP
Development & Operations Manager

APPROVED:

Ray Kerridge
City Manager

ATTACHMENT 1 - Geotechnical Study & Topographic Survey Scopes of Work

EXHIBIT A – Ordinance – Budget Adjustment
EXHIBIT B – Resolution – First Amendment to Professional Services Agreement