

## Attachment 1 – Proposed Scope and Budget Additions

### PROPOSED SCOPE OF SERVICE ADDITION

#### Task 14: LEAP Grant Housing Production Studies

**Task 14.1: Develop Retail Demand Model.** Beginning with Culver City’s public “Safer at Home” order issued March 16, 2020, all nonessential businesses within the city were closed to “flatten the curve” of the global COVID-19 pandemic. Such closures have significantly impacted the city’s retail operations and revenues, as they have in other cities that have instated such “shelter in place” orders to limit transmission of the virus. While select retail types began reopening in June of 2020, further shelter in place initiatives were reinstated in the Fall of 2020 as the virus reemerged.

To demonstrate the present and potential future impacts of COVID-19 on retail in Culver City, HR&A Advisors (*economics subconsultant on the GPU Consultant team*) will develop a retail demand model that estimates Culver City’s retail performance over the next five years by accounting for COVID-19 impacts in the market and changes in consumer behavior influencing brick and mortar retail. This analysis includes the following tasks:

- Collect historic sales data based on trends in taxable sales, supplemented by other proprietary sources which may include third party credit card point of sale data;
- Build a retail demand model based on Culver City’s resident, employee and visitor-related retail spending and potential growth within primary and secondary retail trade areas;
- Contextualize Culver City’s retail performance projections by situating the above elements within local and national trends, identified using the following qualitative tools:
  - A review of data sources depicting national retail trends that integrates the most up-to-date depictions of COVID-19’s impacts;
  - Proprietary data (to be procured by the City) on the latest point of sale spending data and trends;
  - Interviews with Culver City retailers and retail real estate brokers on their outlook;
  - Visitor and employment trend data in Culver City, compared to a pre-COVID baseline;
  - Online spending and consumer behavior trends, compared to a pre-COVID baseline.
- Determine Culver City’s potential capture of and growth in retail sales, based on existing supply and competitive environments;
- Estimate high and low projection scenarios for retail performance over the next five years;
- Translate the above into impacts on retail real estate and typology, based on the city’s current retail inventory and market performance.

**Task 14.2: Property Assessment.** Perkins+Will (P+W) (*urban design subconsultant on the GPU Consultant team*) will assess commercially-zoned properties along Sepulveda Boulevard within the city to be considered for new residential and mixed-use development. Building upon the Socioeconomic and Market Analysis Existing Conditions Report prepared as part of the GPU project, P&W will catalog and analyze properties for their suitability for residential use. This evaluation will be based on the following criteria:

- Parcelization
- Lot width, depth, and area
- Scale and intensity of existing development
- Adjacent built context, including use, scale, and lot coverage
- Public realm context, e.g. street frontage, alleys, and open spaces
- Mobility options, e.g. proximity to public transit
- Potential environmental factors

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P&W will develop site opportunity evaluation criteria as well as a ranking of site suitability for mixed-use or residential development. Site opportunity evaluation criteria will take into account site and context appropriateness for various development prototypes, including:

- Potential development types
- Building placement, height, and orientation
- Development potential, e.g. units per acres
- Parking and mobility features

**Task 14.3: Concept Design Studies.** P+W will develop conceptual site design studies for four sites along Sepulveda Boulevard to test and illustrate mixed-use and residential development. Sites will be selected in collaboration with the City. Site designs can include prototypical development types that would be applicable to multiple corridor sites or designs specific to large opportunity sites. Each design study will be comprised of:

- Site plan showing building placement and circulation,
- Building section showing vertical adjacencies,
- Height profile,
- 3D views of site,
- Context, and
- Conceptual design illustrating massing and transitions to context.

Design studies will explore height, density, open space, parking, circulation, etc. and will provide order of magnitude quantities for analysis in Task 14.4. Design studies will also evaluate retention of commercial and retail components in conjunction with mixed use.

**Task 14.4: Pro Forma Analysis of Development Feasibility.** To help inform market-aligned land use policies, HR&A will prepare pro forma residual land value analyses for up to four development prototypes. “Residual land value” is what a developer could theoretically afford to pay for land and earn a market-responsive return on investment from development of each concept. HR&A will test a concise set of development program sensitivities to establish a common ground and/or set of tradeoffs to achieve a set of financially feasible near-term development scenarios that achieve the City’s desires. The financial feasibility analysis will help identify the market appropriate scale and type of development, as well as any required development incentives needed to catalyze activity. The analysis will include the following steps:

- Based on the concept design studies in Task 14.3, HR&A will generate up to four development scenarios, with specific descriptions of their program type and site.
- HR&A will prepare preliminary pro forma residual land value analyses for the development prototypes. The residual land value analyses will estimate development costs including financing, net operating income, residual land value, return on cost or other metrics as appropriate.
- HR&A will compare residential value estimates to prevailing land values for retail or other commercial uses to determine feasibility thresholds (or alternatively, compare performance with market-aligned return on cost expectations).

Based on the financial analysis above, HR&A will identify barriers and challenges to new development in the study area and propose recommendations for addressing them from a planning and policy perspective.

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**Task 14.5: Incentives and Standards to Increase Housing Production.** P&W, in collaboration with HR&A, will develop an approach to incentives and development standards to encourage compatible and affordable mixed-use and housing development that include:

- Housing development incentives
- Commercial incentives (if desired)
- Building placement, massing, and frontage design
- Neighborhood compatibility and transitions
- Mobility features, including parking standards and requirements

**Task 14.6: General Plan Integration.** After the completion of the technical analysis in Tasks 14.1-5, the Consultant team will incorporate key findings into the General Plan, including policies and implementation actions as additions to the General Plan Land Use and Implementation Elements.

### Task 14 Deliverables

- 14.1 Memorandum and presentation to the City summarizing the analysis' findings
- 14.2 Sepulveda Corridor mapping, opportunity parcels evaluation matrix, and evaluation criteria
- 14.3 Four conceptual design studies (11x17) with plans, sections, 3D views, tabulations of areas, and precedent images
- 14.4 Memorandum and presentation to the City summarizing findings and recommendations from the pro forma analysis
- 14.5 Memorandum outlining key incentives and conceptual development standards
- 14.6 Additions to Land use and Implementation Elements

### PROPOSED BUDGET ADDITION

Task	Labor Cost Per Task
Task 14.1: Develop Retail Demand Model	\$36,000.00
Task 14.2: Property Assessment	\$20,000.00
Task 14.3: Concept Design Studies	\$20,000.00
Task 14.4: Pro Forma Analysis of Development Feasibility	\$24,000.00
Task 14.5: Incentives and Standards to Increase Housing Production	\$30,000.00
Task 14.6: General Plan Integration	\$12,500.00
<b>Total</b>	<b>\$142,500.00</b>